

Global Power and Global Government: Evolution and Revolution of the Central Banking System

by Andrew Gavin Marshall

Introduction

Humanity is on the verge of entering into the most tumultuous period in our history. The prospects of a global depression, the likes of which have never been seen before; a truly global war, on a scale never before imagined; and societal collapse, for which nations of the world are building totalitarian police states to control populations; are increasing by the day. The major global trend forecasters are sounding the alarms on economic depression, war, a return to fascism and a total reorganization of society. Through crisis, we are seeing the reorganization of the global political economy, and the transformation of capitalism into a totalitarian capitalist world government. Capitalism has never stayed the same through its history; it has always changed and will continue to do so. Its changes are explained and analyzed through political-economic theory, both mainstream theory and critical. The changes are undertaken over years, decades and centuries. The next phase of capitalism is one in which the world moves to a state-controlled economic system, much like China, of totalitarian capitalism.

The global political economy itself is being reorganized into a world government body, consisting of one center of global power where the socio-political-economic power of the world is centralized in one institution. This is not a conspiracy theory; it is a reality. Nor is this a subject confined to the realm of “internet conspiracy theorists,” but in fact, the concept of world government originates and evolves throughout the history of capitalism and the global political economy. Mainstream and critical political-economic theory has addressed the concept of world government for centuries.

The notion of a world government has such a long history, as the forces driving the world into such a structure intertwine with the history of the modern global political economy itself. The purpose of this report is to examine the history of the global political economy in taking steps toward forming a world government, in both theory and practice.

How did we get here and where are we going?

Why Study Theory?

Within the academic realm of Political Science, specifically the field of Global Political Economy (GPE), it is essential to understand the various theoretical perspectives of political economy so as to understand the actions and directions taken within the global political economy, and how capitalism has been and continues to be reorganized and altered. Theory provides the foundation upon which actors are understandable and actions are undertaken. As the political economist Robert Cox once stated, “Theory is always for someone and for some purpose.” It is important to understand and analyze the theoretical leanings of those making changes in the global political economy, in order to understand the changes being made, specifically the theoretical foundations of a world government. As well as this, it is important to examine critical theory in how it interprets both how and why a world government is being constructed.

Mercantilism

The history of political economic theory shows a continued fascination with the concept of constructing such a cosmopolitan or global community. The earliest forms of western Global Political Economy

theorists lie in the early mercantilist period, and with the emergence of Liberal theory, following Adam Smith's *Wealth of Nations*, mercantilist writers such as Friedrich List and Alexander Hamilton wrote critiques of the underlying Liberal concepts. List wrote in *Political and Cosmopolitical Economy* that Smith dispersed with the idea of a "national economy" in which nation's determined economic conditions, and instead advocated replacing the "national" economy with a "cosmopolitical or world-wide economy." List discusses the perspective of Jean-Baptiste Say (J.B. Say), a French liberal economist, saying that Say "openly demands that we should imagine the existence of a universal republic in order to comprehend the idea of general free trade." [1]

List states that, "If, as the prevailing school [of political-economic thought] requires, we assume a universal union or confederation of nations as the guarantee for an everlasting peace, the principle of international free trade seems to be perfectly justified," however, this prevailing thought "assumes the existence of a universal union and a state of perpetual peace, and deduces therefrom the great benefits of free trade. In this manner it confounds effects with causes." List elaborates in explaining that, "Among the provinces and states which are already politically united, there exists a state of perpetual peace; from this political union originates their commercial union." Further, "All examples which history can show are those in which the political union has led the way, and the commercial union has followed. Not a single instance can be adduced in which the latter has taken the lead, and the former has grown up from it." [2]

It must be addressed that List is a mercantilist theorist. This means that he views the realm of the political and economic as an interacting realm in which they are intertwined and merged, however, the political realm remains above the economic, which is subject to the dictates of the political element. Liberal theorists believe that the political and economic realms are separate, and that they should be separated, so that political elements interact separately and without influence over the economic realm, which itself acts independently and separately of the political. This is the foundation for the ideas of the "free market" and the oft-quoted Adam Smith phrase, "the invisible hand of the free market," which was only mentioned once in his entire volume of the *Wealth of Nations*. The ascension of liberal theorists marked a separation in the academic and theoretical studies, in which Political Economy was separated as a field, and saw the emergence of Political Science and Economics as separate studies.

As political economist Robert Cox stated, "Theory is always for someone and for some purpose." The purpose of this separation was to compartmentalize academic thought and separate the realms of politics and economy, so as to better control both – as the banking interests, which dominated both the realms of politics and economics since the late 1600s, continued to view the world in terms of political-economic theory. It was a strategy of "divide and conquer," in which theory and academia was divided in order to conquer and control thought on both sides. This separation continues to this day, as even the field of Political Economy is placed underneath and subjective to Political Science, whereas it would make more sense that Political Science and Economics would be under the umbrella of Political Economy. Again, compartmentalize thought and then the control of discussion and debate becomes much easier.

What List was arguing in his essay was a critique of the liberal concept of a cosmopolitical society, in which all nations are united in a world federation. Naturally, this was not the case in that era, it was an incorrect and dubious assumption on the part of liberal theorists. List explained that never before had economic or commercial interdependence and union led to a political union. List postulated that history showed that political union had to precede an economic union. However, List was writing in the first half of the 19th century, and history has changed the course of events and Political Economic theory. I would argue that the major banking interests, essentially made up of a dynasty of banking families (the Rothschilds, Warburgs, and later the Morgans and Rockefellers, among many others), decided to chart a different course, in which they would pursue a strategy in which economic union would be incrementally undertaken with the aim of constructing a political union to follow in its footsteps.

Central Banking

Thus, liberal economic theory came to the forefront, championed by the global hegemonic power of the day, Great Britain, which was firmly under the control of the banking dynasties. In 1694, the Bank of England was formed as a private central bank, which would issue the currency of the nation, lending it to the government and industry at interest, which would be paid back to the Bank of England's shareholders, made up of these private banking dynasties.[3] The 16th to the 19th centuries was the period in which both the nation-state and capitalism emerged, soon followed by central banking in the late 1600s. This is when the origins of what was known as a "world economy" took place. Mercantilist economic theory dominated this period, in which the economy was secondary and submissive to the political structure of nations.

Liberal theorists rose in opposition to this. Adam Smith wrote the *Wealth of Nations* in 1776, the same year that the American colonies revolted against the British imperial forces in the country, and ultimately gained independence from the British Empire. Among many of the primary motivating factors for the Revolution were the British military presence in the American colonies, acting above the law; a heavy imposition of colonial taxes, particularly on tea and other imports from foreign nations such as France, in an effort to promote the mercantilist assumptions that the colony should only survive and trade with the metropole (imperial hegemon) – which extracts the resources of the nation in trade for material goods to that nation, creating a dependence upon the colonial power. Arguably one of the primary motivations for the Revolution was the control of currency by a foreign imperial power, with the ability to control inflation and devaluation, essentially controlling the entire economic conditions of the colony from abroad. The Founding Fathers of the United States understood the necessity of controlling one's own currency if one was to preserve sovereignty and independence.

Following Britain's humiliating defeat, which was aided by the French who supported the American revolt, European banking interests suffered a significant blow against their mercantilist expansion. Capitalism functions in that it constantly needs to expand and consume more. Central banking functions in a very similar, although much more dubious manner, in which it needs to expand its control over industry, nations and people through the expansion of debt, continually needing to bring more individuals, nations and industries under debt bondage. Debt is the source of all power and wealth for the central banking system – as they do not actually produce any tradable good, such as industry; nor do they provide any necessary service, such as government. Interest on debt is the source of income and authority for the central banking system, and thus, it needs to continually advance credit and expand debt. Thus, the loss of the American colonies as a source of expansionary credit and debt was a massive blow to their entrenched interests.

The European banking interests quickly learned their lesson regarding not falling under the imperial hubris of believing people of a given region or nation could never defeat imperial might and armies. Revolution had become a great threat to the entrenched capitalist, and particularly, banking interests.

Within a decade of the American Revolutionary War, which ended in 1783, another nation was going down the road of revolutionary zeal, in part inspired by the American example. However, this nation was no colony, but rather a mercantilist imperial power, and thus, its loss would be too great a loss to allow. In 1788, the French Monarchy was bankrupt, and as tensions grew between the increasingly desperate people of France and the aristocratic and particularly monarchic establishment, European bankers decided to pre-empt and co-opt the revolution. In 1788, prominent French bankers refused "to extend necessary short-term credit to the government,"[4] and they arranged to have shipments of grain and food to Paris "delayed" which triggered the hunger riots of the Parisians.[5] This sparked the Revolution, in which a new ruling class emerged, driven by violent oppression and political and actual terrorism. However, its

violence grew, and with that, so too did discontentment with the Revolutionary Regime, and its stability and sustainability was in question. Thus, the bankers threw their weight behind a general in the Revolutionary Army named Napoleon, whom they entrusted to restore order. Napoleon then gave the bankers his support, and in 1800, created the Bank of France, the privately owned central bank of France, and gave the bankers authority over the Bank. The bankers owned its shares, and even Napoleon himself bought shares in the bank.[6]

The bankers thus sought to control commerce and government and restore order to their newly acquired and privately owned and operated empire. However, Napoleon continued with his war policies beyond the patience of the bankers, which had a negative impact upon commercial activities,[7] and Napoleon himself was interfering in the operations of the Bank of France and even declared that the Bank “belongs more to the Emperor than to the shareholders.”[8] With that, the bankers again shifted their influence, and remained through regime change.[9]

The Rothschilds ascended to the throne of international banking with the Battle of Waterloo. After having established banking houses in London, Paris, Frankfurt, Vienna and Naples, they profited off of all sides in the Napoleonic wars.[10] The British patriarch, Nathan Rothschild, was known for being the first with news in London, ahead of even the monarchy and the Parliament, and so everyone watched his moves on the stock market during the Battle of Waterloo. Following the battle, Nathan got the news that the British won over 24 hours before the government itself had news, and he quietly went into the London Stock Exchange and sold everything he had, implying to those watching that the British lost. A panic selling ensued, in which everyone sold stock, stock prices crumbled, and the market crashed. What resulted was that Rothschild then bought up the near-entire British stock market for pennies on the dollar, as when news arrived of the British victory at Waterloo, Rothschild’s newly acquired stocks soared in value, as did his fortune, and his rise as the pre-eminent economic figure in Britain.[11]

As Georgetown University History professor, Carroll Quigley wrote in his monumental *Tragedy and Hope*, “The merchant bankers of London had already at hand in 1810-1850 the Stock Exchange, the Bank of England, and the London money market,” and that:

In time they brought into their financial network the provincial banking centers, organized as commercial banks and savings banks, as well as insurance companies, to form all of these into a single financial system on an international scale which manipulated the quantity and flow of money so that they were able to influence, if not control, governments on one side and industries on the other.[12]

The period from 1815 to 1914 was known as the British Imperial Century, in which they adopted the liberal economic concepts of Adam Smith, and manipulated and distorted them for their own imperial ambitions. Mercantilism was still strong in practice, but rode under the banner of a liberal economic order, “free markets” and the “invisible hand.” The “invisible hand” was in fact, connected to a body made up of government and industry, molding the “free market” according to its designs, and the body was controlled by the brain, the central bank, the Bank of England. Markets were hardly “free” and the hand was visible to those who could see the rest of the body.

The Liberal Revolution

It was during this British imperial century that other nations, such as Germany and the United States, were pursuing mercantilist economic practices in order to protect their own nations from the British free-trade imperialism. It was in this context that mercantilist theorists such as Alexander Hamilton in the United States, and Friedrich List in Germany were writing in criticism of liberal economic theory.

Mercantilism was dominant in political-economic theory until the mid 19th century when the 'liberal revolution' manifested, largely in critical opposition to mercantilism. In liberal economic theory, the economic realm is autonomous and separate from the political realm, and functions according to its own logic. Within this theory, politics and economics, though separate spheres, are still connected, but remain independent of one another. Whereas mercantilists see the state as the primary actor in the global political economy, liberals see the individual (both producer and consumer) as being the major actor.

Mercantilists see the international arena as inherently conflictual, justifying their policies of colonialism and empire building in an international arena in which if one state does not colonize foreign lands and extract resources, another state will, and thus, will deprive the state that does not create an empire of resources and economic growth. In this sense, mercantilists view the world in terms of a zero-sum gain, in which the progress of one state requires the regression of another. Liberal theorists argue that the international arena, made up of individuals, constitutes a positive-sum gain, in which all individuals act according to self-interest, and in doing so, benefit everyone, and foster cooperation and interdependence. In this sense, the international arena is not inherently conflictual, but rather a cooperative and interdependent sphere in which order and stability is upheld by international regimes – such as the British liberal imperial order and the gold standard it instituted.

Where mercantilists view history as an amalgamation of conflicts and decisions made by states, liberal theorists view history as the sum of the unintended consequences of actions made by private individuals and activities. This implies almost an inherently natural progression of history – that it is not shaped by powerful forces in any designed or intended way, but is merely a natural response and reaction to the actions of individuals. This ties into the liberal concept of the natural state of a liberal economic order, bringing in the idea of the “invisible hand of the free market” which will determine economic activities.

Adam Smith's notion of the “invisible hand” has been used to advance the idea that private individuals who seek personal wealth and gain through self-interest will unintentionally aid the interests of all of society. However, the “invisible hand” was mentioned merely once in Smith's monumental *Wealth of Nations*, and was taken out of context. Smith was discussing how “Every individual naturally inclines to employ his capital in the manner in which it is likely to afford the greatest support to domestic industry, and to give revenue and employment to the greatest number of people of his own country.” In addition to employing “his capital in the support of domestic industry,” the private individual would “direct that industry that its produce may be of the greatest value.” Therefore, the individual “neither intends to promote the public interest, nor knows how much he is promoting it.” Smith explains that:

"By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention." [13]

Smith had conceptualized the “invisible hand” as the “natural inclination” of an individual to promote domestic interests, yet the phrase has been manipulated to promote the concept of a “self regulating market” in which the less regulation and restrictions there are, the better all society will be, because industry will naturally benefit all people. The manipulation of this phrase has taken the notion of the “invisible hand” away from the actions of individuals and transferred it to promoting non-regulation of economic activities. That is a far cry from Smith's contention.

Smith even stated in the *Wealth of Nations* that, “People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices. It is impossible indeed to prevent such meetings, by any law which either

could be executed, or would be consistent with liberty and justice. But though the law cannot hinder people of the same trade from sometimes assembling together, it ought to do nothing to facilitate such assemblies; much less to render them necessary.”[14]

In discussing regulation regarding wages for workers and resolving equity issues between the employers, or “masters” and the labour class of “workers,” Smith explained that, “Whenever the legislature attempts to regulate the differences between masters and their workmen, its counselors are always the masters. When the regulation, therefore, is in favour of the workmen, it is always just and equitable; but it is sometimes otherwise when in favour of the masters.” Further, “When masters combine together in order to reduce the wages of their workmen, they commonly enter into a private bond or agreement, not to give more than a certain wage under a certain penalty. Were the workmen to enter into a contrary combination of the same kind, not to accept a certain wage under a certain penalty [such as a union], the law would punish them very severely; and if it dealt impartially, it would treat the masters in the same manner.”[15]

These quotes by Adam Smith tend to fly in the face of the common perceptions and usage of Smith’s ideas, proving that liberal economy in practice is a far cry from the intent of its original theorist.

In the 1870s, the notion of a “liberal economic order” was challenged as the major European empires undertook an incredible extension of their imperial presence across the globe, itself a mercantilist practice – the idea of obtaining colonies in order to extract its resources, create a captive market for the imperial nations manufactured goods, and deprive its economic competitors of access to that market. Between 1878 and 1913, European empires extended their control over much of the world, specifically with the Scramble for Africa, in which all of Africa, save Ethiopia, was colonized by European powers.

This “new imperialism,” as it was known, proliferated throughout Europe following the rapid expansion of banking throughout the continent, and the pre-eminence of international financiers over governments.[16] The growth of the continent-wide banking networks “fed the growth of colonial empires” as it stimulated a system in which “creating debt that then had to be serviced by the purchase of more infrastructure,” and expansion of territory.[17] This led European nations to undertake a massive imperial effort across much of the globe, to find and control foreign markets and expand their capital.

The Emergence of Marxism

In the 19th century, the rise of critical IPE (International/Global Political Economy) theories emerged in opposition to the growing dominance of Liberal IPE. The most profound of these criticisms arose from Karl Marx. Marxism, as Marx’s critical theory came to be known, put an extensive focus on the relations of classes within society, as the class that owns the means of production is the central and most powerful class, subverting the other classes to a submissive position. Marxists also view capitalism as being inherently exploitative. Within this theory, the political and economic realms are not seen as separate spheres of action, but are seen as intertwined and internally related. Within this theory, the purpose of the state is not to serve the interests of the broader population that inhabits it, but to secure, maintain and advance the interests of the capitalist class. Marxist theorists also put emphasis on the nature of war and conflict as being intrinsically related to the expansionary nature of capitalism, which is one of the primary roles of states in advancing the interests of the capitalist ruling class.

Marx defines what he perceives as capitalism: a system which is governed by capital, which is money that has been invested in order to generate more money; production, which is dominant within capitalist society, is designed for sale, not use – in that, it moves beyond subsistence and into what we refer to today as materialism and consumption; labour is commodified, thus people, through their labour, themselves become a tradable commodity; exchange occurs with money; ownership of the means of

production is in the hands of the capitalist class; and competition between various capitalist forces is the logic of interaction.

Marx places a large focus on the circuit of capital, in how money transforms into capital. Money (M), is invested in purchasing a Commodity (C), and then into Labour Power (LP) and the Means of Production (MP), which make up the Production circuit (P), which produces a new Commodity (C1), which is then sold, creating expanding money (M1), or earned profits. Capital, thus, is money that is invested into production. Marx postulates that the inherent exploitative nature of capitalism is most apparent in the Production circuit, specifically with Labour Power.

Diverging From Marx

However, with the exploration and understanding of the central banking system, some of the circuit of capital must be called into question. Central banking functions not on “investment” of capital, but on the expansion and creation of money and debt, which is lent at interest, thus serving as the source of income for the central banking system. This cannot be called productive capital, for its purpose and intent is not to produce a new commodity, there is no labour power or means of production involved, and new money is not produced from the sale of such a new commodity, but rather profit is extracted from interest on the original money. This, for the sake of argument, can be called the Circuit of Debt:

M --> L --> I --> M1 --> LID --> DB

M = Money

L = Loan

I = Interest

M1 = New Money

LID = new money Loaned to debtor to pay Interest on Debt

DB = debtor falls into Debt Bondage; owned by creditor

Through the Marxist perspective of exploitation, there is no labour to exploit within the Circuit of Debt, so where does exploitation come into play? Exploitation comes into the process in that the debt (or loan) issued, is designed to exploit whoever the debtor is, be it an individual, a nation, or a corporation. Within this paradigm, class structure, although playing a significant part of the process of overall exploitation and exercise of power within the capitalist system is not the only, or arguably, even primary target of control and oppression within capitalism, as we know it. The target is the individual, the nation, and industry to the submission of the predatory nature of the central banking system.

The central banking system has, from its inception, acted in ways which monopolize industry (thus negating Adam Smith’s concept of a “free market” and “competition”); militarize nations (financing wars and conquest, imperialism); merging the interests of both the economic and political realms into a holistic ruling class (modeled upon the dual nature of a central bank itself – holding the authority and power of a government body, but representing the interests and submitting to the ownership of private individuals). Thus, the ruling class itself is a social construct which this tiny elite formed, hardly capable of the numbers to be termed a class, especially since class is most often defined in national terms, whereas this elite is international in nature.

The central bank of a nation finances monopoly industry and imperial states, both of which are created out of debt bondage to the central bank. Both the commercial/industrial elites and political elites merge their interests – the state will pursue imperial policies that have the effect of benefiting industry, while industry will support the building of a strong, powerful state (and provide a cozy job for the political

elite upon leaving the public sector). This makes up the ruling class of a nation, the capitalists, or owners of the means of production, merging with the political rulers of the nation. One does not represent or overpower the other, but rather, both serve the interests and are owned through interest, by a tiny international elite.

One must ask: What would capitalism look like if it were not for the advent of the central banking system?

Accumulation by Dispossession

In discussing Marxist theory, I am not advocating a total support of its theoretical discussion and perspective. However, it is vital to address, as historically and presently, it has served as a very powerful source of criticism against the capitalist system and its importance cannot be underestimated. Having said that, it is also important to address in that it does, as a theory, identify many accurate and important aspects of how the capitalist system functions. For that reason, many of the critiques have been and are currently prescient and justified.

In Marxist theory, the nature of accumulation plays a very important part, in that it holds a dual character. One is known as accumulation as expanded reproduction, which is concerned with commodity markets and production (the circuit of capital), where money is made through the labour process. The other nature of accumulation is accumulation by dispossession, which is usually framed in terms of relations between capitalist and non-capitalist modes of production. This is accumulation derived from dispossessing someone of something. The Atlantic slave trade was an example of accumulation by dispossession, as Africans were dispossessed of their lives and freedom. Colonialism is another example, where resources are extracted, dispossessing the nation of its own resources.

Perhaps it would be helpful to expand upon Marx's ideas of accumulation by dispossession in regards to the central banking system. Central banking, not falling into the circuit of capital, and thus, accumulation as expanded reproduction, better represents an example of accumulation by dispossession. Money is given in loans at interest, to which the debtor is never meant to fully repay, and is dispossessed of its freedom and wealth through interest payments and debt bondage. Debt is just another word for slavery, therefore, the central banking system itself, functions through a system of accumulation by dispossession.

However, conventional understanding of accumulation by dispossession describes it as an interaction between capitalist and non-capitalist modes of production, where the capitalist mode will dispossess the non-capitalist mode of production. Central banking, however, is the pinnacle of the capitalist system, and ultimately, the primary source and avenue of its power, so it can hardly be said to be an interaction between capitalist and non-capitalist modes, as it is an interaction between central banks and ALL modes of production which need money – including the entirety of the capitalist system. Thus, industry/commerce, governments/nations, and individuals/people, are dispossessed of their freedom through debt bondage. This cannot simply be predicated in terms of class warfare or class-centric theory, but rather, an assault against all individuals, individuality, and freedom, in any and all forms. It is within this context that class structures are created, so as to play off one against the other – to compartmentalize people into classes, and thus, better control and manipulate the masses. It is a strategy of dividing and conquering people. Class, including the upper capitalist class, is constructed in an effort to conform thought within each class, and thus direct collective action of that class accordingly. The freethinking individual is the target in all cases. Individuality is to be removed from commerce, government, and society as a whole.

The Communist Manifesto

In the Communist Manifesto, published in 1848, Marx proclaims in the opening subtitle that, “The history of all society hitherto is the history of class struggles.” However, if class itself is a construct of powerful individuals, albeit throughout human history, can it not be argued instead that the history of all society is the history of the struggle of the individual against collectivity and control? Class itself is a collective grouping designed to control a mass of people, whether it is upper class or lower class. Individuals are stifled within all classes, and thus, the history of class struggles itself, is a history of the struggle between the free thinking individual and the collective form of control.

Within the Communist Manifesto, Marx (and Engels) outlined an initial program for an “advanced” nation to undertake in order to create a Communist system, with ten major points. (1) Abolition of property in land and application of all rents of land to public purposes; (2) A heavy progressive or graduated income tax; (3) Abolition of all right of inheritance; (4) Confiscation of the property of all emigrants and rebels; (5) Centralization of credit in the hands of the state, by means of a national bank with state capital and an exclusive monopoly; (6) Centralization of the means of communication and transport in the hands of the state; (7) Extension of factories and instruments of production owned by the state – the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan; (8) Equal liability of all to labour – Establishment of industrial armies, especially for agriculture; (9) Combination of agriculture with manufacturing industries – gradual abolition of the distinction between town and country by a more equable distribution of the population over the country; and (10) Free education for all children in public schools – Abolition of children’s factory labour in its present form [and] Combination of education with industrial production.[18]

Of particular importance is number 5, in which a central bank is advocated. If nations have the ability to create and issue a currency through a Treasury department or even on a more regional or local level, why centralize and monopolize creation of a currency to a central bank? It should be noted that the recommendation was to have it centralized “in the hands of the state,” however, central banks are today, still widely perceived as being within the purview of governmental authority, while acting and functioning totally outside of it and above it. Imposing a tax on one’s income (2), also seems to promote the commodification of labour, in that instead of industry exploiting one’s labour and extracting a profit from it, that becomes the job of the state. All property would be owned by the state (1), and virtually the entire economy is subject to the control of the state. Even education, while free, is directed by the state. With the “Confiscation of the property of all emigrants and rebels,” what room is there for dissenting thought in such a society? Dissent would not be encouraged within the “free education” system. In fact, conformity would be enshrined. Is this not a form of “accumulation by dispossession” in which the individual is dispossessed of free thought and action and submitted to the will of and restricted thinking allowed by the state? Within this paradigm the state accumulates power and authority by dispossessing people of individuality in thought and expression.

The Communist Manifesto ends with the declaration of, “Workers of all countries, Unite!” This, in and of itself, promotes class divisions within society, placing focus on the need for an international mobilization of the global working class to rise up against the capitalist class. Marx outlines that any successful workers’ revolution must be international.[19] Thus, this promotes the cosmopolitical notion of an international community, at least in initial terms of a transnational class system. Essentially, Marx argues that as capitalism expands, what we will later term “Globalizes,” so too must the working class of the world “globalize” and “internationalize.” In a sense, this makes Marx, himself, an early globalist theorist, in promoting the concept of an international class uprising against the capitalist class. Ultimately, would this not simply replace the tyranny of one class for the tyranny of another? Throw out the capitalists and bring in the communists! Substituting one form of oppression for another is hardly a change in the right direction. In both systems, the individual suffers and free thought is stifled.

Though much Marxist criticism is extremely pointed in analyzing the functions and structure of the capitalist system, such theory itself, even though critical, must be critically examined.

Retaking America

The history of the United States from its founding through the 19th century to the early 20th century, was marked by a continual political battle revolving around the creation of a central bank of the United States. Mercantilists such as Alexander Hamilton, who was the first Treasury Secretary, were in favour of such a bank, and his advice won over George Washington, much to the dismay of Thomas Jefferson, who was a strong opponent to central banking. However, “[Alexander] Hamilton, believing that government must ally itself with the richest elements of society to make itself strong, proposed to Congress a series of laws, which it enacted, expressing this philosophy,” and that, “A Bank of the United States was set up as a partnership between the government and certain banking interests,”[20] which lasted until the charter expired in 1811.

Again, during the tenure of Andrew Jackson (1829-1837), the primary political struggle was with the entrenched financial interests both domestic and from abroad (namely Western Europe), on the issue of creating a central bank of the US. Andrew Jackson stood in firm opposition to such a bank, saying that, “the bank threatened the emerging order, hoarding too much economic power in too few hands,” and referred to it as “The Monster.”[21] Congress passed the bill allowing for the creation of a Second Bank of the United States, however, Andrew Jackson vetoed the bill, much to the dismay of the banking interests.

It was in the later half of the 1800s that “European financiers were in favor of an American Civil War that would return the United States to its colonial status, they admitted privately that they were not necessarily interested in preserving slavery,” as it had become unprofitable.[22] The Civil War was not based upon the liberation of slaves, it was, as Howard Zinn described it, a clash “of elites,” with the northern elite wanting “economic expansion – free land, free labor, a free market, a high protective tariff for manufacturers, [and] a bank of the United States. [Whereas] The slave interests opposed all that.”[23] The Civil War, which lasted from 1861 until 1865, resulted in hundreds of thousands of deaths, during which, “Congress also set up a national bank, putting the government into partnership with the banking interests, guaranteeing their profits.”[24]

As Lincoln himself stated:

The money powers prey on the nation in times of peace and conspire against it in times of adversity. The banking powers are more despotic than monarchy, more insolent than autocracy, more selfish than bureaucracy. They denounce as public enemies all who question their methods or throw light upon their crimes.

I have two great enemies, the Southern Army in front of me, and the bankers in the rear. Of the two, the one at my rear is my greatest foe. As a most undesirable consequence of the war, corporations have been enthroned, and an era of corruption in high places will follow. The money power will endeavor to prolong its reign by working upon the prejudices of the people until the wealth is aggregated in the hands of a few, and the Republic is destroyed.[25]

Throughout much of the 1800s and into the 1900s, the United States suffered several economic crises, one of the most significant of which was the Great Depression of 1873. As Howard Zinn explained:

The crisis was built into a system which was chaotic in its nature, in which only the very rich were secure. It was a system of periodic crises – 1837, 1857, 1873 (and later: 1893, 1907, 1919, 1929) – that wiped out small businesses and brought cold, hunger, and death to working people while the fortunes of the Astors, Vanderbilts, Rockefellers, Morgans, kept growing through war and peace, crisis and recovery. During the 1873 crisis, Carnegie was capturing the steel market, Rockefeller was wiping out his competitors in oil.[26]

Massive industrial consolidation by a few oligarchic elites was the rule of the day, as J.P. Morgan expanded total control over railroad and banking interests, and John D. Rockefeller took control of the oil market, and expanded into banking. Zinn explained that, “The imperial leader of the new oligarchy was the House of Morgan. In its operations it was ably assisted by the First National Bank of New York (directed by George F. Baker) and the National City Bank of New York (presided over by James Stillman, agent of the Rockefeller interests). Among them, these three men and their financial associates occupied 341 directorships in 112 corporations. The total resources of these corporations in 1912 was \$22,245,000,000, more than the assessed value of all property in the twenty-two states and territories west of the Mississippi River.”[27]

These banking interests, particularly those of Morgan, were very much allied with European banking interests. On the European side, specifically in Britain, the elite were largely involved in the Scramble for Africa at this time. Infamous among them was Cecil Rhodes, who made his fortune in the diamond and gold mining in Africa, as “With financial support from Lord Rothschild and Alfred Beit, he was able to monopolize the diamond mines of South Africa as De Beers Consolidated Mines and to build up a great gold mining enterprise as Consolidated Gold Fields.”[28] Interestingly, “Rhodes could not have won his near-monopoly over South African diamond production without the assistance of his friends in the City of London: in particular, the Rothschild bank, at that time the biggest concentration of financial capital in the world.”[29] As historian Niall Ferguson explained, “It is usually assumed that Rhodes owned De Beers, but this was not the case. Nathaniel de Rothschild was a bigger shareholder than Rhodes himself; indeed, by 1899 the Rothschilds’ stake was twice that of Rhodes.”[30]

Cecil Rhodes was also known for his radical views regarding America, particularly in that he would “talk with total seriousness of ‘the ultimate recovery of the United States of America as an integral part of the British Empire’.”[31] Rhodes saw himself not simply as a money maker, but primarily as an “empire builder.” As historian Carroll Quigley explained, in 1891, three British elites met with the intent to create a secret society. The three men were Cecil Rhodes, William T. Stead, a prominent journalist of the day, and Reginald Baliol Brett, a “friend and confidant of Queen Victoria, and later to be the most influential adviser of King Edward VII and King George V.” Within this secret society, “real power was to be exercised by the leader, and a ‘Junta of Three.’ The leader was to be Rhodes, and the Junta was to be Stead, Brett, and Alfred Milner.”[32]

In 1901, Rhodes chose Milner as his successor within the society, of which the purpose was, “The extension of British rule throughout the world, the perfecting of a system of emigration from the United Kingdom and of colonization by British subjects of all lands wherein the means of livelihood are attainable by energy, labour, and enterprise . . . [with] the ultimate recovery of the United States of America as an integral part of a British Empire, the consolidation of the whole Empire, the inauguration of a system of Colonial Representation in the Imperial Parliament which may tend to weld together the disjointed members of the Empire, and finally the foundation of so great a power as to hereafter render wars impossible and promote the best interests of humanity.”[33] Essentially, it outlined a British-led cosmopolitical world order, one global system of governance under British hegemony. Among key players within this group were the Rothschilds and other banking interests.[34]

In the early 20th century, European and American banking interests achieved what they had desired for over a century within America, the creation of a privately owned central bank. It was created through collaboration of American and European bankers, primarily the Morgans, Rockefellers, Kuhn, Loeb and Warburgs.[35] After the 1907 banking panic in the US, instigated by JP Morgan, pressure was placed upon the American political establishment to create a “stable” banking system. In 1910, a secret meeting of financiers was held on Jekyll Island, where they planned for the “creation of a National Reserve Association with fifteen major regions, controlled by a board of commercial bankers but empowered by the federal government to act like a central bank – creating money and lending reserves to private banks.”[36] President Woodrow Wilson followed the plan almost exactly as outlined by the Wall Street financiers, and added to it the creation of a Federal Reserve Board in Washington, which the President would appoint.[37] The Federal Reserve, or Fed, “raised its own revenue, drafted its own operating budget and submitted neither to Congress,” while “the seven governors shared power with the presidents of the twelve Reserve Banks, each serving the private banks in its region,” and “the commercial banks held stock shares in each of the twelve Federal Reserve Banks.”[38]

The retaking of the United States by international banking interests was achieved with barely a whimper of opposition. Where the British Empire failed in taking the United States militarily, international bankers succeeded covertly through the banking system. The Federal Reserve also had the effect of cementing an alliance between New York and London bankers.[39]

Origins of the American Empire: Revolution, World Wars and World Order Global Power and Global Government: Part 2

Russia, Oil and Revolution

By the 1870s, John D. Rockefeller’s Standard Oil Empire had a virtual monopoly over the United States, and even many foreign countries. In 1890, the King of Holland gave his blessing for the creation of an international oil company called Royal Dutch Oil Company, which was mainly founded to refine and sell kerosene from Indonesia, a Dutch colony. Also in 1890, a British company was founded with the intended purpose of shipping oil, the Shell Transport and Trading Company, and it “began transporting Royal Dutch oil from Sumatra to destinations everywhere,” and eventually, “the two companies merged to become Royal Dutch Shell.”[1]

Russia entered into the Industrial Revolution later than any other large country and empire of its time. By the 1870s, “Russia’s oil fields, including those in Baku, were challenging Standard Oil’s supremacy in Europe. Russia’s ascendancy in natural resources disrupted the strategic balance of power in Europe and troubled Britain.” Britain thus attempted to begin oil explorations in the Middle East, specifically in Persia (Iran), first through Baron Julius de Reuter, the founder of Reuters News Service, who gained exploration rights from the Shah of Iran.[2] Reuter’s attempt at uncovering vast quantities of oil failed, and a man named William Knox D’Arcy took the lead in Persia.

By the middle of the 19th century, “the Rothschilds were the richest family in the world, perhaps in all of history. Their five international banking houses comprised one of the first multinational corporations.” Alfonse de Rothschild was “heavily invested in Russian oil at least forty years before William Knox D’Arcy began tying up Persian oil concessions for the British. Russian oil, which in the 1860s was already emerging as the European rival to the American monopoly Standard Oil, was the Baron [Rothschild]’s pet project.” In the early 1880s, “almost two hundred Rothschild refineries were at work in Baku,” Russia’s oil rich region.[3]

By the mid-1880s, “the Rothschilds were poised to become the chief oil supplier, not only to Europe but to the Far East,” however, “the Baku-Batum railroad was already proving inadequate to transport the volume of oil being produced. Another route was needed, and came in the form of the recently opened Suez Canal, which shortened the journey to the Far East by four thousand miles. Palestine was suddenly of interest to the Rothschilds as it provided access to the Suez.”[4] When the Egyptian government was bankrupt in 1874, British Prime Minister Benjamin Disraeli turned to his close friends, the Rothschilds, “for the colossal cash advance necessary” to buy shares in the Suez Canal Company.[5] By this time, the Rothschilds were already principle shareholders in the Bank of France,[6] and the Bank of England, sitting alongside other notable shareholders such as Baring Brothers, Morgan Grenfell and Lazard Brothers.[7]

The Rothschilds “had long been involved in developing Czarist Russia’s nascent industry and banking system, while that country’s growing network of railroads was largely financed by Rothschild-managed loans.”[8] When the Czar died, he was succeeded by his son, Czar Nicholas II, who instituted anti-Semitic pogroms, discriminating against Jews, which had the effect of stimulating a massive emigration of Jews out of Russia and Eastern Europe and into Western Europe. However, these East European and Russian Jewish émigrés grew up in a newly industrializing nation in which the tyranny of the government and collusion between it and powerful financial and industrial interests left the great majority of people dispossessed and incited more socialist tendencies in thought and action.

The English Rothschilds were very alarmed “when the socialist tendencies of the émigrés contributed to a massively disruptive tailors’ strike in the East End of London in 1888. A young Georgian communist who would become known to the world as Joseph Stalin was already organizing laborers to strike at the Rothschild oil interests in Batum.” The British Rothschilds were very concerned with this wave of Jewish immigrants into Western Europe and Britain, as they were intensely anti-Czarist and progressively socialist, and the Rothschilds were known for their heavy collaboration with the Czarist regimes of Russia. One potential solution considered to the problem of increased socialist-leaning Jewish immigrants in Britain was to institute restrictions on immigration. However, this would likely backlash, in the sense that it would be viewed as comparable to expulsion. So, Edmond Rothschild began his personal campaign to create a Jewish homeland in Palestine in order to create a release valve for Jewish émigrés to put their political action behind a new cause, and to promote them emigrating to Palestine, and out of Western Europe.[9]

On top of this, as the pre-eminent Zionist in Britain, his proposal for the creation of a Jewish homeland in Palestine served major economic interests of the Rothschilds and of the British Empire, in that several years prior, Rothschild bought the Suez Canal for the British, and it was the primary transport route for Russian oil. Palestine, thus, would be a vital landmass as a protectorate for British and Rothschild imperial-economic interests.

The Rothschilds, despite their overtly pro-Zionist and pro-Jewish rhetoric, did not stop their support of the Russian regime and economic activities within anti-Semitic Russia. In 1895, the Rothschilds, then one of the world’s leading producers and distributors of oil, “had gone so far as to co-sign an agreement with rival producers – including America’s Standard Oil [of Rockefeller interests] – to divide up world markets. It never took effect, presumably because of the opposition of the Russian government.” In 1902, the Rothschilds “entered into a partnership with Royal Dutch and Shell (soon to become a single global company) to form the Asiatic Petroleum Company for exploiting the fields of Southern Russia.”[10]

In the early 1900s, the Rothschilds were the primary oil interests in Russia, second in the world only to the Rockefellers. As industrialization was under way, conditions worsened for the great majority of Russian people. This spurred protests and riots, and a “young Stalin himself led the agitation against the Caucasian

oil industry in general, [and] the Rothschilds in particular. Mass action by oil workers in Baku [the major oil fields in Russia] in 1903 was the spark that set off the first general strike across the Russian landmass.” Then with the Russian loss in the Russo-Japanese War of 1904, and further protests, came the Revolution of 1905. In the following years, the Rothschilds sold their Russian oil interests to Royal Dutch Shell, gaining significant shares in the international oil company.[11]

The specter of political and social instability within Russia was high and did not go without notice from international banking, oil, and industrial interests. Naturally, the international banking houses were keeping a close eye on developments within Russia. The Rothschilds had to lessen their overt involvement with Russia, as they could not maintain such a relationship with the most anti-Jewish nation in the world at the time, while also claiming to be the primary advocates of Jewish aspirations for a homeland. This is why they sold their Russian oil interests to Royal Dutch Shell, but then gained significant shares in the company itself. So while publicly cutting their ties with Russia, they still held massive interests in its industrial capacity. Following the Russo-Japanese War, the Rothschilds “refused to participate in underwriting a major loan, this at a time when Russia desperately needed funds to stabilize the regime.”[12]

So, in 1906, John D. Rockefeller stepped in to aid Czarist Russia, and offered \$200,000,000, or “400,000,000 rubles for a concession for railroads from Tashkend to Tomsk and from Tehita to Polamoshna and a grant of land on both sides of the prospective lines.”[13] These international financiers were still clearly intent upon maintaining their interests within Russia.

However, the Russian governments refusal to allow the deal between the Rockefellers and Rothschilds and other major oil monopolies to divide up the world’s oil reserves, may well have spurred discontent among these powerful interests. If Russia refused to allow them to control all the oil and have a right to all oil, did this mean that Russia was planning on building a domestic oil industry? If this were the case, it could pose a threat to all the entrenched economic and financial interests, particularly those of the Rockefellers and Rothschilds, as Russia’s significant oil reserves and resources would allow it to possibly even surpass the United States in industrialization. Further, Czarist Russia became an increasingly unstable investment environment, controlled by an increasingly unpredictable monarchy.

The 1917 October Revolution “inspired workers’ uprisings in the oil fields against low wages and harsh working conditions. In 1919, Azerbaijan took advantage of the political unrest to declare sovereignty over the Baku fields. That same year SONJ [Standard Oil of New Jersey] made an agreement with the Azerbaijani government to purchase undeveloped land for exploration in the Baku region. Amidst the chaos, foreign oil companies rushed into Russia hoping to collect concessions at reduced rates. The Nobel brothers sold much of their operations to SONJ (today ExxonMobil) to build an alliance in 1920.”[14]

Antony C. Sutton, economist, historian and author, as well as research fellow at Stanford University’s Hoover Institution, wrote in *Wall Street and the Bolshevik Revolution*, that both fascist and communist systems are “based on naked, unfettered political power and individual coercion. Both systems require monopoly control of society. While monopoly control of industries was once the objective of J.P. Morgan and J.D. Rockefeller, by the late nineteenth century the inner sanctums of Wall Street understood that the most efficient way to gain an unchallenged monopoly was to ‘go political’ and make society go to work for the monopolists,” and that, “the totalitarian socialist state is a perfect captive market for monopoly capitalists, if an alliance can be made with the socialist powerbrokers.”[15] Thus, the major money powers of the west decided to put their money behind the creation of a totalitarian communist state in Russia, in order to create a captive economy, which they could exploit and remove from competition.

When the Revolution began, Trotsky was in New York, and was immediately granted an American passport by President Wilson, and then given a Russian entry permit and a British transit visa, in order to

return to Russia and “carry forward” the revolution.[16] Trotsky, while traveling, was arrested in Canada, but was released as a result of British intervention.[17]

Trotsky traveled on board a ship in 1917, leaving New York, along with an interesting cast of fellow passengers, including “other Trotskyite revolutionaries, Wall Street financiers, American Communists, and a man named Charles Crane. Charles Richard Crane, former chairman of the Democratic Party’s finance committee, whose son, Richard Crane, was an assistant to U.S. Secretary of State Robert Lansing, played a significant part in what occurred in Russia. Former U.S. Ambassador to Germany, William Dodd, said that Crane, “did much to bring on the [Alexander] Kerensky revolution which gave way to Communism.” Kerensky was the second Prime Minister in the Russian Provisional Government, which followed the collapse of the Czarist government, and preceded the Bolshevik. Crane also thought that the Kerensky government “is the revolution in its first phase only.”[18]

The Revolution occurred in the midst of World War I, which broke out in 1914, and had all the major European powers at war. Morgan and Rockefeller interests, organized in Wall Street and centralized in the Federal Reserve Bank of New York, the most powerful of all the regional Federal Reserve Banks, used “the Red Cross Mission as its operational vehicle” in Russia at the time of the Bolshevik Revolution. The Red Cross Mission in Russia got its endowment from wealthy people such as J.P. Morgan, Mrs. E. H. Harriman, Cleveland H. Dodge, and Mrs. Russell Sage, and “in World War I the Red Cross depended heavily on Wall Street, and specifically the Morgan firm.” When the American Red Cross set up a mission to Russia, “William Boyce Thompson, director of the Federal Reserve Bank of New York, had ‘offered to pay the entire expense of the commission’.”[19] All expenses were paid for by William Boyce Thompson, who was a major stockholder in Chase National Bank, whose President had Thompson appointed head of the New York Fed.[20]

The Mission was primarily made up of lawyers, financiers, their assistants, people affiliated with Standard Oil and the Rockefeller’s National City Bank.[21] The Mission supported through a loan, the Provisional government of Alexander Kerensky, yet, William B. Thompson of the New York Fed “made a personal contribution of \$1,000,000 to the Bolsheviks for the purpose of spreading their doctrine in Germany and Austria.” Interestingly, when the Bolsheviks took control, “The National City Bank branch in Petrograd had been exempted from the Bolshevik nationalization decree – the only foreign or domestic Russian bank to have been so exempted.”[22] Ultimately, the Red Cross mission in Russia “was in fact a mission of Wall Street financiers to influence and pave the way for control, through either Kerensky or the Bolshevik revolutionaries, of the Russian market and resources.”[23]

The American International Corporation (AIC), was “created in 1915 to develop domestic and foreign enterprises, to extend American activities abroad, and to promote the interests of American and foreign bankers, business and engineering.” It was created and controlled by Morgan, Stillman and Rockefeller interests, and its directors were affiliated with National City Bank (Rockefeller), the Carnegie Foundation, General Electric, the DuPont family, New York Life Insurance, American Bankers Association and the Federal Reserve Bank of New York. Members of its board financially supported the Bolsheviks and urged the US State Department to recognize the Bolshevik government.[24]

In 1920, Russian gold was being siphoned through Sweden, where it was melted down and stamped with the Swedish mint, funneled through the Federal Reserve Bank of New York and into Kuhn, Loeb & Company and Guaranty Trust Company (Morgan), two of the primary banking interests behind the creation of the Federal Reserve System. [25] During the civil war in Russia between the Reds and the Whites, while Wall Street financiers were aiding the Bolsheviks quietly, they also began to finance Aleksandr Kolchak (of the Whites) with millions of dollars, in order to ensure that whoever emerged victorious in the war, Wall Street would win.[26]

As Antony Sutton wrote, “Russia, then and now, constituted the greatest potential competitive threat to American industrial and financial supremacy,” and that, “The gigantic Russian market was to be converted into a captive market and a technical colony to be exploited by a few high-powered American financiers and the corporations under their control.”[27]

Eventually, the Bolsheviks emerged victorious, and Wall Street won. Under Stalin’s Five-Year Plans in the early 1930s, Soviet industrialization “required Western technology and expertise,” and in a “frequently overlooked contribution” that came “from abroad,” American firms aided in the industrialization of the USSR, including Ford, General Electric and DuPont,[28] with Standard Oil, General Electric, Austin Co., General Motors, International Harvester, and Caterpillar Tractor trading heavily with the Soviet Union.[29]

Standard Oil bought “gargantuan quantities of Red Oil,” General Electric received a \$100,000,000 contract from the Soviet Union to build “the four largest hydroelectric generators in the world,” Austin Co., got a \$50,000,000 contract to erect the City of Austingrad, “complete with tractor and automobile factories involving an additional \$30,000,000 contract for parts and technical assistance with Ford Motor Corp.” On top of this, “Other [Soviet] business friends are General Motors, DuPont de Nemours, International Harvester, John Deere Co., Caterpillar Tractor, Radio Corp. and the U. S. Shipping Board, which sold the Reds a fleet of 25 cargo steamers.” Banks with close ties to the Russian economy included Chase National, National City Bank and Equitable Trust, all of which are either Rockefeller or Morgan interests.[30]

World War Restructures World Order

In the midst of World War I, a group of American scholars were tasked with briefing “Woodrow Wilson about options for the postwar world once the kaiser and imperial Germany fell to defeat.” This group was called, “The Inquiry.” The group advised Wilson mostly through his trusted aide, Col. Edward M. House, who was Wilson’s “unofficial envoy to Europe during the period between the outbreak of World War I in 1914 and the intervention by the United States in 1917,” and was the prime driving force in the Wilson administration behind the establishment of the Federal Reserve System.[31]

“The Inquiry” laid the foundations for the creation of the Council on Foreign Relations (CFR), the most powerful think tank in the US, and “The scholars of the Inquiry helped draw the borders of post World War I central Europe.” On May 30, 1919, a group of scholars and diplomats from Britain and the US met at the Hotel Majestic, where they “proposed a permanent Anglo-American Institute of International Affairs, with one branch in London, the other in New York.” When the scholars returned from Paris, they were met with open arms by New York lawyers and financiers, and together they formed the Council on Foreign Relations in 1921. The “British diplomats returning from Paris had made great headway in founding their Royal Institute of International Affairs.” The Anglo-American Institute envisioned in Paris, with two branches and combined membership was not feasible, so both the British and American branches retained national membership, however, they would cooperate closely with one another.[32] They were referred to, and still are, as “Sister Institutes.”[33]

The Milner Group, the secret society formed by Cecil Rhodes, “dominated the British delegation to the Peace Conference of 1919; it had a great deal to do with the formation and management of the League of Nations and of the system of mandates; it founded the Royal Institute of International Affairs in 1919 and still controls it.”[34] There were other groups founded in many countries representing the same interests of the secret Milner Group, and they came to be known as the Round Table Groups, preeminent among them were the Royal Institute of International Affairs (Chatham House), the Council on Foreign Relations

in the United States, and parallel groups were set up in Canada, Australia, New Zealand, South Africa and India.[35]

World War I had marked a monumental period in history in what can be understood as “transitional imperialism.” What I mean by this is that historically, periods of imperial decline and transition (that is, the rise or fall of an empire or empires), are often marked by increased international violence and war.

World War I was the result of the culmination of imperial ambitions by various powers. This was the natural result of the wave of “New Imperialism” that swept the industrialized world in the 1870s. In 1879, the German Empire and Austria-Hungary created the Dual Alliance to combat growing Russian influence in the Balkans with the decline of the Ottoman Empire. Italy joined in 1882, making it the Triple Alliance. In 1892, the Franco-Russia Alliance was made, which was a military alliance between France and the Russian Empire to counteract the German Empire’s supremacy over Europe. In 1904, the Entente Cordiale, a series of agreements between France and Britain, was agreed upon in order to maintain a balance of power in Europe. In 1907, the Anglo-Russia Entente was formed in an effort to end their long-running Great Game by setting the boundaries of their imperial control over Afghanistan, Persia and Tibet. It also acted as a balance to the growing German Empire’s might and influence in Europe. After the signing of the Anglo-Russian Entente, the Triple Entente was cemented between Britain, Russia and France as a significant counter to the Triple Alliance.

The decline of the Ottoman Empire had been a long and slow process. The Ottoman Empire dated back to 1299, and lasted until 1923. “From 1517 until the end of World War I, a period of 400 years, the Ottoman Empire was the ruling power in the central Middle East. Ottoman administrative institutions and practices shaped the peoples of the modern Middle East and left a legacy that endured after the empire’s disappearance.”[36]

In the late 16th century, “Ottoman raw materials, normally channeled into internal consumption and industry, were increasingly exchanged for European manufactured products. This trade benefited Ottoman merchants but led to a decline in state revenues and a shortage of raw materials for domestic consumption. As the costs of scarce materials rose, the empire suffered from inflation, and the state was unable to procure sufficient revenues to meet its expenses. Without these revenues, the institutions that supported the Ottoman system, especially the armed forces, were undermined.” This was largely done through commercial treaties known as Capitulations. The first Capitulation “was negotiated with France in 1536; it allowed French merchants to trade freely in Ottoman ports, to be exempt from Ottoman taxes, and to import and export goods at low tariff rates. In addition, the treaty granted extraterritorial privileges to French merchants by permitting them to come under the legal jurisdiction of the French consul in Istanbul, thus making them subject to French rather than Ottoman-Islamic law. This first treaty was the model for subsequent agreements signed with other European states.”[37]

The Ottoman state had been sufficiently weakened by the early 20th century, which happened to be the same time period that Europeans, particularly the British, were looking at Middle East oil to fuel their empires. The major European alliances sought to take advantage of this weakened Ottoman position. In 1909, Austria-Hungary annexed Bosnia-Herzegovina, inciting the anger of the Russia Empire. The First Balkan War was fought between 1912 and 1913, in which Serbia, Montenegro, Greece and Bulgaria fought the Ottoman Empire. The settlement that followed angered Bulgaria, which then began to engage in territorial disputes with Serbia and Romania. Bulgaria then attacked Greece and Serbia in 1913, followed by Romania and the Ottoman Empire declaring war against Bulgaria, which was the Second Balkan War.

This further destabilized the region, and Austria-Hungary grew wary of the growing influence of Serbia. When Austrian Archduke Franz Ferdinand was assassinated in 1914, Austria delivered an ultimatum to

Serbia, where the assassin was from, and then declared war. The Russian Empire mobilized for war the next day, with German mobilization following behind, and France behind it. Germany then declared war on Russia, and World War I was under way.

The end of the Great War saw the disillusion of the Ottoman Empire, breaking up its territory, which was carved up between France and Britain at the Paris Peace Conference. The German Empire and Austro-Hungarian Empires also officially ended as a result of the war, for which Germany was given the sole blame for the war and punished through the Versailles reparations. The Russian Empire ended with the Bolshevik Revolution, which resulted in Russia pulling out of the war in 1917, the same year the United States entered the war. The Great War turned the United States into a powerful nation in the world, becoming a leading creditor nation with significant international influence. The British and French maintained their empires, though they were in decline. However, they attempted to maintain significant control over the Middle East.

World War I was thus the culmination of a massive build-up of imperial nations seeking expanded influence and markets for their capital. Entering the War, there were many empires, leaving it, there were two dominant European Empires (France and Britain) and an emerging new force in the world, the United States.

The Great Depression

The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented. Banking was conceived in inequity and born in sin . . . Bankers own the earth. Take it away from them but leave them the power to create money, and, with a flick of a pen, they will create enough money to buy it back again . . . Take this great power away from them, and all great fortunes like mine will disappear, for then this would be a better and happier world to live in. . . . But, if you want to continue to be the slaves of bankers and pay the cost of your own slavery, then let bankers continue to create money and control credit.[38]

- Sir Josiah Stamp, Director of the Bank of England, 1927

Benjamin Strong, Governor of the Federal Reserve Bank of New York, and Montagu Norman, Governor of the Bank of England, who worked closely together throughout the 1920s, decided to “use the financial power of Britain and the United States to force all the major countries of the world to go on the gold standard and to operate it through central banks free from all political control, with all questions of international finance to be settled by agreements by such central banks without interference from governments.” These men were not working for the governments and nations of whom they purportedly represented, but “were the technicians and agents of the dominant investment bankers of their own countries, who had raised them up and were perfectly capable of throwing them down.”[39]

In the 1920s, the United States experienced a stock market boom, which was a result of the commercial banks providing “funds for the purchase of stock and took the latter as collateral,” creating a massive wave of underwriting and purchasing of securities. The stock market speculation that followed was the result of the banks “borrowing substantially from the Federal Reserve. Thus the Federal Reserve System was helping to finance the great stock market boom.”[40]

In 1927, a meeting took place in New York City between Montagu Norman of the Bank of England, Hjalmar Schacht, President of the Reichsbank, the German central bank of the Weimar Republic; Charles Rist, Deputy Governor of the Bank of France and Benjamin Strong of the New York Fed. The topic of the meeting was the “persistently weak reserve position of the Bank of England. This, the bankers thought,

could be helped if the Federal Reserve System would ease interest rates to encourage lending. Holders of gold would then seek the higher returns from keeping their metal in London.” The Fed obliged.[41]

The Bank of England had a weak reserve position because of Britain’s position as champion of the gold standard. Foreign central banks, including the Bank of France, were transferring their exchange holdings into gold, of which the Bank of England did not have enough to supply. So the Fed lowered its discount rate, and began buying securities to equal French gold purchases. Money in the US, then, “was going increasingly into stock-market speculation rather than into production of real wealth.”[42]

In early 1929, the Federal Reserve board of governors “called upon the member banks to reduce their loans on stock-exchange collateral,” and took other actions with the publicly pronounced aim of reducing “the amount of credit available for speculation.” Yet, it had the reverse effect, as “the available credit went more and more to speculation and decreasingly to productive business.” On September 26, 1929, London was hit with a financial panic, and the Bank of England raised its bank rate, causing British money to leave Wall Street, “and the over inflated market commenced to sag,” leading to a panic by mid-October.[43]

The longest-serving Federal Reserve Chairman, Alan Greenspan, wrote that the Fed triggered the speculative boom through its pumping excess credit into the economy (sound familiar?), and eventually this resulted in the American and British economies collapsing due to the massive imbalances produced. Britain then “abandoned the gold standard completely in 1931, tearing asunder what remained of the fabric of confidence and inducing a world-wide series of bank failures. The world economies plunged into the Great Depression of the 1930's.”[44]

The Bank for International Settlements

In 1929, the Young Committee was formed to create a program for the settlement of German reparations payments that emerged out of the Versailles Treaty, written at the Paris Peace talks in 1919. The Committee was headed by Owen D. Young, founder of Radio Corporation of America (RCA), as a subsidiary of General Electric. He was also President and CEO of GE from 1922 until 1939, co-author of the 1924 Dawes Plan, was appointed to the Board of Trustees of the Rockefeller Foundation in 1928, and was also, in 1929, deputy chairman of the New York Federal Reserve Bank. When Young was sent to Europe in 1929 to form the program for German reparations payments he was accompanied by J.P Morgan, Jr.[45]

What emerged from the Committee was the creation of the Young Plan, which “was assertedly a device to occupy Germany with American capital and pledge German real assets for a gigantic mortgage held in the United States.” Further, the Young Plan “increased unemployment more and more,” allowing Hitler to say he would “do away with unemployment,” which, “really was the reason of the enormous success Hitler had in the election.”[46]

The Plan went into effect in 1930, following the stock market crash. Part of the Plan entailed the creation of an international settlement organization, which was formed in 1930, and known as the Bank for International Settlements (BIS). It was purportedly designed to facilitate and coordinate the reparations payments of Weimar Germany to the Allied powers. However, its secondary function, which is much more secretive, and much more important, was to act as “a coordinator of the operations of central banks around the world.” Described as “a bank for central banks,” the BIS “is a private institution with shareholders but it does operations for public agencies. Such operations are kept strictly confidential so that the public is usually unaware of most of the BIS operations.”[47]

The BIS was established “to remedy the decline of London as the world’s financial center by providing a

mechanism by which a world with three chief financial centers in London, New York, and Paris could still operate as one.”[48] As Carroll Quigley explained:

[T]he powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalist fashion by the central banks of the world acting in concert, by secret agreements arrived at in frequent private meetings and conferences. The apex of the system was to be the Bank for International Settlements in Basle, Switzerland, a private bank owned and controlled by the world’s central banks which were themselves private corporations.[49]

The BIS was founded by “the central banks of Belgium, France, Germany, Italy, the Netherlands, Japan, and the United Kingdom along with three leading commercial banks from the United States, including J.P. Morgan & Company, First National Bank of New York, and First National Bank of Chicago. Each central bank subscribed to 16,000 shares and the three U.S. banks also subscribed to this same number of shares.” However, “Only central banks have voting power.”[50]

In a letter dated November 21, 1933, President Franklin Roosevelt told Edward M. House, “The real truth .. is, as you and I know, that a financial element in the larger centers has owned the Government ever since the days of Andrew Jackson - and I am not wholly excepting the administration of W[oodrow]. W[ilson]. The country is going through a repetition of Jackson's fight with the Bank of the United States - only on a far bigger and broader basis.”[51]

Banking on Hitler

Throughout the 1930s, with the loans provided through the Dawes and Young Plans, Germany was able to create a few dominant industrial cartels, which were all financed by Wall Street bankers and industrialists.[52] These cartels provided the basis for and main financial backing of the Nazi regime. Collaboration between the German Nazi industry and American industry and finance continued, specifically with Morgan and Rockefeller interests, as well as Ford and DuPont. The Morgan-Rockefeller international banks and companies associated with them “were intimately related to the growth of Nazi industry.”[53] Rockefeller’s Standard Oil Empire “was of critical assistance in helping Nazi Germany prepare for World War II.”[54] On top of this, the Rockefeller Foundation was also pivotal in not only funding the racist and elitist eugenics movement in the United States, but played a pivotal part in bringing the eugenics ideology to Nazi Germany, facilitating the beliefs that brought about the Holocaust.[55]

Hjalmar Schacht, the President of the Reichsbank throughout Weimar Germany, stayed on as President of the German central bank from 1933 until 1939, and was thus a central figure in Nazi Germany, being a major driver being the German plans for reindustrialization, redevelopment and rearmament. Hitler, in 1934, made Schacht his Minister of Economics.

Central banks across Europe began to purchase Nazi gold, which was smuggled and melted down and re-stamped in Switzerland, (much like was done with Soviet gold). Sweden, Spain, Portugal, Argentina, Turkey, France, Great Britain, Poland, Hungary, and the United States all “traded with the Nazis with gold transferred by the BIS.” This was done as a collaborative effort among central banks, as “the BIS did enter into gold and currency transactions with Nazi Germany through its participation with the Reichsbank.” Schacht wielded his significant influence and “had become instrumental in placing high-ranking Nazi officials and foreign collaborators on the BIS Board of Directors.”[56]

Empire, War and the Rise of the New Global Hegemon

World War Two also marked a period of massive imperial transition. The build-up of the Third Reich led to Nazi imperialism throughout Europe and North Africa and the Japanese Empire expanded into China. At the end of the War, the British and French Empires were all but vanished, holding onto remaining colonies in Africa and Asia. The Soviet Union was devastated and Germany, with much of Europe, was in ruins. What emerged from this war that was most significant was the rise of a new empire, the American Empire. America's intervention into the war and expansion into Europe as a liberating force allowed it to set up bases throughout Europe as well as in Japan on the Pacific. The Soviet Union, having taken Europe from the East, expanded its influence and dominance across Eastern Europe. Following Churchill's speech that an "Iron Curtain" had fallen across Europe, the Cold War was underway. Thus, World War II ended the age of many European empires, even of those in decline, and created a bi-polar world, which was divided between the USSR and the USA.

Following World War II, the US, as the only major nation in the world whose industrial base survived the devastation of the war, assumed the position of global hegemon. It began to set up the infrastructure, both national and international, to assume the position of global superpower, exerting its hegemony across the globe. The crown had been passed from the British Empire to the American Empire. Ultimately, both were and are owned and controlled by the same interests, primarily represented through the central banks and the private banking interests that make up the dominant shareholders.

Before America had even entered the war in late 1941, the Council on Foreign Relations (CFR), the American branch of the round table groups Carroll Quigley discussed as having originated from the secret society of Cecil Rhodes, was planning on America entering the war. The CFR had essentially captured US foreign policy firmly in the grips of the banking elite. The establishment of the Federal Reserve (1913) ensured that the United States would become indebted to and owned by international banking interests, and thus, act in their interest. The Fed financed the US role in World War I, provided the credit for speculation, which led to the Great Depression, and massive consolidation for the interests that own the Federal Reserve System. It then financed US entry into World War II.

The CFR, established six years after the Federal Reserve was created, worked to promote an internationalist agenda on behalf of the international banking elite. It was to alter America's conceptualization of its place within the world – from isolationist industrial nation to an engine of empire working for international banking and corporate American interests. Where the Fed took control of money and debt, the CFR took control of the ideological foundations of such an empire – encompassing the corporate, banking, political, foreign policy, military, media, and academic elite of the nation into a generally cohesive overall world view. By altering one's ideology to that of promoting such an internationalist agenda, the big money that was behind it would ensure one's rise through government, industry, academia and media. The other major think tanks and policy institutions in the United States are also represented at the CFR. They are constitutive of divisions within the elite, however, such divisions are predicated on the basis of how to use American imperial power, where to use it, on what basis to justify it, and other various methodological differences. The divide amongst elites was never on the questions of: should we use American imperial power, why has America become an Empire, or should there even be an empire? If one takes such considerations to heart and questions these concepts, be it within the foreign policy establishment, intelligence, military, academia, finance, corporate world, or media; chances are, such a person is not a member of the CFR.

The CFR effectively undertook a policy coup d'état over American foreign policy with the Second World War. When war broke out, the Council began a "strictly confidential" project called the War and Peace Studies, in which top CFR members collaborated with the US State Department in determining US policy, and the project was entirely financed by the Rockefeller Foundation.[57] The post-War world was

already being designed by members of the Council, who would go into government in order to enact these designs.

The policy of “containment” towards the Soviet Union that would define American foreign policy for nearly half a century was envisaged in a 1947 edition of *Foreign Affairs*, the academic journal of the Council on Foreign Relations. So too were the ideological foundations for the Marshall Plan and NATO envisaged at the Council on Foreign Relations, with members of the Council recruited to enact, implement and lead these institutions.[58] The Council also played a role in the establishment and promotion of the United Nations,[59] which was subsequently built on land bought from John D. Rockefeller, Jr.[60]

The Rise of the American Empire and Keynesian Political Economy

Within liberal political economy, a prominent individual and British economist, John Maynard Keynes, undertook the process of evolving liberal theory into what later became known as Keynesian economics. Following in the footsteps of the dominance of the liberal order, in which the economic and political realms were viewed as separate, and necessarily so, Keynes sought to re-imagine the political-economic relationship. His work was largely influenced by the events leading up to and following the Great Depression, which was largely seen as a failure of the liberal economic order. Keynes wanted to combine state and market forces, not rejecting the liberal notion of the “invisible hand,” however, relegated that to a more distinct area, and imagined a broader role for the state in the economy.

Keynes advocated for the state to act, or invest, when private individuals would not, in an effort to stave off financial or economic crises. Thus, Keynes would argue, the state strengthens the market. A Marxist theorist would likely point to this as an example of how the state, within a capitalist society, functions as an institutional organ which protects the interests of the capitalist class. Keynes advocated a liberal international order composed of free markets, however he recommended state intervention domestically, particularly to protect jobs and control inflation.

Keynesian political economic theory served in large part as a basis for the creation of the Bretton-Woods System, established in 1944, and his concept of embedded liberalism (promotion of liberal international economy, and state intervention in domestic economy), reigned supreme until the 1970s.

In 1944, representatives of the 44 Allied nations met for the Bretton Woods conference (the United Nations Monetary and Financial Conference) in New Hampshire, in an effort to reorganize and regulate the international financial and monetary order following the war. The UK was represented by John Maynard Keynes; with the American contingent represented by Harry Dexter White, an American economist and senior US Treasury department official. It was out of this conference that the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), now part of the World Bank, and the General Agreement on Tariffs and Trade (GATT), now institutionalized in the World Trade Organization (WTO), originated. They were designed to be the institutionalized economic foundations of exerting American hegemony across the globe; they were, in essence, engines of economic empire.

In 1947, President Harry Truman signed the National Security Act, which created the position of Secretary of Defense overseeing the entire military establishment, and the Joint Chiefs of Staff; as well as created the CIA modeled on its war time incarnation of the Office of Strategic Services (OSS); and the Act also created the National Security Council, headed by a National Security Adviser, and designed to give the President further advice on foreign affairs issues separate from the State Department. Essentially, the Act created the basis for the national security state apparatus for empire building.

The founding of the CIA was urged by the War and Peace Studies Project of the Council on Foreign Relations in the early 1940s, and the architects of the CIA, designing the shape and organization of the Agency, as well as its functions; were all Wall Street lawyers, largely made up of members of the Council on Foreign Relations. The Deputy Directors of the CIA for the first two decades were all “from the same New York legal and financial circles.”[61]

Controlling the Global Economy: Bilderberg, the Trilateral Commission and the Federal Reserve

Global Power and Global Government: Part 3

The Bilderberg Group and the European Union Project

In 1954, the Bilderberg Group was founded in the Netherlands, which was a secretive meeting held once a year, drawing roughly 130 of the political-financial-military-academic-media elites from North America and Western Europe as “an informal network of influential people who could consult each other privately and confidentially.”[1] Regular participants include the CEOs or Chairman of some of the largest corporations in the world, oil companies such as Royal Dutch Shell, British Petroleum, and Total SA, as well as various European monarchs, international bankers such as David Rockefeller, major politicians, presidents, prime ministers, and central bankers of the world.[2]

Joseph Retinger, the founder of the Bilderberg Group, was also one of the original architects of the European Common Market and a leading intellectual champion of European integration. In 1946, he told the Royal Institute of International Affairs (the British counterpart and sister organization of the Council on Foreign Relations), that Europe needed to create a federal union and for European countries to “relinquish part of their sovereignty.” Retinger was a founder of the European Movement (EM), a lobbying organization dedicated to creating a federal Europe. Retinger secured financial support for the European Movement from powerful US financial interests such as the Council on Foreign Relations and the Rockefellers.[3] However, it is hard to distinguish between the CFR and the Rockefellers, as, especially following World War II, the CFR’s main finances came from the Carnegie Corporation, Ford Foundation and most especially, the Rockefeller Foundation.[4]

The Bilderberg Group acts as a “secretive global think-tank,” with an original intent to “to link governments and economies in Europe and North America amid the Cold War.”[5] One of the Bilderberg Group’s main goals was unifying Europe into a European Union. Apart from Retinger, the founder of the Bilderberg Group and the European Movement, another ideological founder of European integration was Jean Monnet, who founded the Action Committee for a United States of Europe, an organization dedicated to promoting European integration, and he was also the major promoter and first president of the European Coal and Steel Community (ECSC), the precursor to the European Common Market.[6]

Declassified documents (released in 2001) showed that “the US intelligence community ran a campaign in the Fifties and Sixties to build momentum for a united Europe. It funded and directed the European federalist movement.”[7] The documents revealed that, “America was working aggressively behind the scenes to push Britain into a European state. One memorandum, dated July 26, 1950, gives instructions for a campaign to promote a fully-fledged European parliament. It is signed by Gen William J Donovan, head of the American wartime Office of Strategic Services, precursor of the CIA.” Further, “Washington’s main tool for shaping the European agenda was the American Committee for a United Europe, created in 1948. The chairman was Donovan, ostensibly a private lawyer by then,” and “The vice-chairman was Allen Dulles, the CIA director in the Fifties. The board included Walter Bedell Smith, the CIA’s first director, and a roster of ex-OSS figures and officials who moved in and out of the CIA. The documents

show that ACUE financed the European Movement, the most important federalist organisation in the post-war years.” Interestingly, “The leaders of the European Movement - Retinger, the visionary Robert Schuman and the former Belgian prime minister Paul-Henri Spaak - were all treated as hired hands by their American sponsors. The US role was handled as a covert operation. ACUE's funding came from the Ford and Rockefeller foundations as well as business groups with close ties to the US government.”[8]

The European Coal and Steel Community was formed in 1951, and signed by France, West Germany, Italy, Belgium, Luxembourg and the Netherlands. Newly released documents from the 1955 Bilderberg meeting show that a main topic of discussion was “European Unity,” and that “The discussion affirmed complete support for the idea of integration and unification from the representatives of all the six nations of the Coal and Steel Community present at the conference.” Further, “A European speaker expressed concern about the need to achieve a common currency, and indicated that in his view this necessarily implied the creation of a central political authority.” Interestingly, “A United States participant confirmed that the United States had not weakened in its enthusiastic support for the idea of integration, although there was considerable diffidence in America as to how this enthusiasm should be manifested. Another United States participant urged his European friends to go ahead with the unification of Europe with less emphasis upon ideological considerations and, above all, to be practical and work fast.”[9] Thus, at the 1955 Bilderberg Group meeting, they set as a primary agenda, the creation of a European common market.[10]

In 1957, two years later, the Treaty of Rome was signed, which created the European Economic Community (EEC), also known as the European Community. Over the decades, various other treaties were signed, and more countries joined the European Community. In 1992, the Maastricht Treaty was signed, which created the European Union and led to the creation of the Euro. The European Monetary Institute was created in 1994, the European Central Bank was founded in 1998, and the Euro was launched in 1999. Etienne Davignon, Chairman of the Bilderberg Group and former EU Commissioner, revealed in March of 2009 that the Euro was debated and planned at Bilderberg conferences.[11] This was an example of regionalism, of integrating an entire region of the world, a whole continent, into a large supranational structure. This was one of the primary functions of the Bilderberg Group, which would also come to play a major part in other international issues.

Interdependence Theory

The theoretical justifications for integration and regionalism arrived in the 1960s with what is known as “interdependence theory.” One of its primary proponents was a man named Richard N. Cooper. Two other major proponents of interdependence theory are Robert Keohane and Joseph Nye. Interdependence theory and theorists largely expand upon the notions raised by Keynes.

Richard Cooper wrote that, during the 1960s “there has been a strong trend toward economic interdependence among the industrial countries. This growing interdependence makes the successful pursuit of national economic objectives much more difficult.” He also identified that “the objective of greater economic integration involves international agreements which reduce the number of policy instruments available to national authorities for pursuit of their economic objectives.”[12] Further, “Cooper argues that new policies are needed to address the unprecedented conditions of international interdependence.”[13]

Cooper also opposed a return to mercantilist pursuits in order for nations to secure economic objectives, arguing that, “economic nationalism invited policy competition that is doomed to fail,” and thus concludes “that international policy coordination is virtually the only means to achieve national economic goals in an interdependent world.”[14]

Keohane and Nye go into further analysis of interdependence, specifically focusing on how interdependence transforms international politics. They tend to frame their concepts in ideological opposition to international relations realists, who view the world, like mercantilists, as inherently anarchic. Keohane and Nye construct what is known as “complex interdependence,” in which they critique realism. They analyze realism as consisting of two primary facets: that states are the main actors in the international arena, and that military force is central in international power. They argue that, “global economic interdependence has cast doubt on these assumptions. Transnational corporations and organizations born of economic integration now vie with states for global influence.”[15]

Keohane and Nye also discuss the relevance and importance of international regimes in the politics of interdependence, defining regimes as “networks of rules, norms, and procedures that regularize behavior.” They argue that, “Regimes are affected by the distribution of power among states, but regimes, in turn, may critically influence the bargaining process among states.”[16] Again, this contests the realist and mercantilist notions of the international sphere being one of chaos, as a regime can produce and maintain order within the international arena.

Interdependence theorists tend to argue that interdependence has altered the world order in that it has become based upon cooperation and mutual interests, largely championing the liberal economic notion of a non-chaotic and cooperative international order in which all nations seek and gain a mutual benefit. Ultimately, it justifies the continued process of global economic integration, while realist and mercantilist theorists, who interdependence theorists contest and debate, justify the use of force in the international arena in terms of describing it as inherently chaotic. In theory, the notions of mercantilism and liberalism are inimical to one another however, they are not mutually exclusive and are, in fact, mutually reinforcing. Events throughout the 1970s are a clear example of this mutually reinforcing nature of mercantilist behaviour on the part of states, and the “interdependence” of the liberal economic order.

As early mercantilist theorist Frederick List wrote in regards to integration and union, “All examples which history can show are those in which the political union has led the way, and the commercial union has followed. Not a single instance can be adduced in which the latter has taken the lead, and the former has grown up from it.”[17] It would appear that the elites have chosen the road less traveled in the 20th century, with the Bilderberg Group pursuing integration and union in Europe by starting with commercial union and having political union follow. This concept is also evident in the notions of interdependence theory, which focuses on global economic integration as changing the realist/mercantilist notions of a chaotic international order, as states and other actors become more cooperative through such economic ties.

Trilateralism

In the late 1960s, Western European economies (in particular West Germany) and Japan were rapidly developing and expanding. Their currencies rose against the US dollar, which was pegged to the price of gold as a result of the Bretton Woods System, which, through the IMF, set up an international monetary system based upon the US dollar, which was pegged to gold. However, with the growth of West Germany and Japan, “by the late 1960s the system could no longer be expected to perform its previous function as a medium for international exchange, and as a surrogate for gold.” On top of this, to maintain its vast empire, the US had developed a large balance-of-payments deficit.[18]

Richard Nixon took decisive, and what many referred to as “protectionist” measures, and in 1971, ended the dollar’s link to gold, which “resulted in a devaluation of the dollar as it began to float against other currencies,” and “was meant to restore the competitiveness of the US economy,”[19] as with devaluation, “U.S.-made goods would cost less to foreigners and foreign-made goods would be less competitive on the

U.S. market.” The second major action taken by Nixon was when he “slapped a ten percent surcharge on most imports into the United States,” which was to benefit U.S. manufacturing firms over foreign ones in competition for the U.S. market. The result was that less imports from Asia were coming into the US, more US goods were sold in their markets at more competitive prices, forcing Japan and the European Economic Community (EEC) to relax their trade barriers to US products.[20]

An article in *Foreign Affairs*, the journal of the Council on Foreign Relations, referred to Nixon’s New Economic Policy as “protectionist,” encouraging a “disastrous isolationist trend,”[21] and that Nixon shattered “the linchpin of the entire international monetary system— on whose smooth functioning the world economy depends.”[22] Another article in *Foreign Affairs* explained that the Atlanticist, or internationalist faction of the US elite were in particular, upset with Nixon’s New Economic Policy, however, they “agreed on the diagnosis: the relative balance of economic strengths had so changed that the United States could no longer play the role of economic leader. But they also argued that further American unilateralism would fuel a spiral of defensive reactions that would leave all the Western economies worse off. Their suggested remedy, instead, was much more far-reaching coordination among all the trilateral [North American, European and Japanese] governments.”[23]

There was a consensus within the American ruling class that the Bretton Woods System was in need of a change, but there were divisions among members in how to go about changing it. The more powerful (and wealthy) international wing feared how US policies may isolate and alienate Western Europe and Japan, and they advocated that, “The world economic roles of America must be reconciled with the growth to power of Europe and Japan. There must be fundamental reform of the international monetary system. There must be renewed efforts to reduce world trade barriers. The underlying U.S. balance of payments has deteriorated.” However, Nixon “went much too far” as he alienated Western Europe and Japan.

In 1970, David Rockefeller became Chairman of the Council on Foreign Relations, while also being Chairman and CEO of Chase Manhattan. In 1970, an academic who joined the Council on Foreign Relations in 1965 wrote a book called *Between Two Ages: America’s Role in the Technetronic Era*. The author, Zbigniew Brzezinski, called for the formation of “A Community of the Developed Nations,” consisting of Western Europe, the United States and Japan. Brzezinski wrote about how “the traditional sovereignty of nation states is becoming increasingly unglued as transnational forces such as multinational corporations, banks, and international organizations play a larger and larger role in shaping global politics.” David Rockefeller had taken note of Brzezinski’s writings, and was “getting worried about the deteriorating relations between the U.S., Europe, and Japan,” as a result of Nixon’s economic shocks. In 1972, David Rockefeller and Brzezinski “presented the idea of a trilateral grouping at the annual Bilderberg meeting.” In July of 1972, seventeen powerful people met at David Rockefeller’s estate in New York to plan for the creation of the Commission. Also at the meeting was Brzezinski, McGeorge Bundy, the President of the Ford Foundation, (brother of William Bundy, editor of *Foreign Affairs*) and Bayless Manning, President of the Council on Foreign Relations.[24] So, in 1973, the Trilateral Commission was formed to address these issues.

A 1976 article in *Foreign Affairs* explained that, “Trilateralism as a linguistic expression—and the Trilateral Commission—arose in the early 1970s from the reaction of the more Atlanticist part of the American foreign policy community to the belligerent and defensive unilateralism that characterized the foreign economic policy of the Nixon Administration.”[25] The Commission’s major concerns were to preserve for the “industrialized societies,” in other words, seek mutual gain for the Trilateral nations, and to construct “a common approach to the needs and demands of the poorer nations.” However, this should be read as, “constructing a common approach to [dealing with] poorer nations.” As well as this, the Commission would undertake “the coordination of defense policies and of policies toward such highly politicized issues as nuclear proliferation, terrorism, and aerial hijacking, and such highly politicized geographic areas as the Middle East or Southern Africa.”[26]

Interestingly, interdependence theorist Joseph Nye is a member of the Trilateral Commission, as is Richard N. Cooper.[27] Today, Joseph Nye is a member of the Board of Directors of the Council on Foreign Relations,[28] and Richard N. Cooper was a Director of the Council on Foreign Relations from 1993-1994.[29]

The end of the link of the dollar to gold meant that, “the US was no longer subject to the discipline of having to try to maintain a fixed par value of the dollar against gold or anything else: it could let the dollar move as the US Treasury [and ultimately, the Federal Reserve] wished and pointed towards the removal of gold from international monetary affairs.” This created a dollar standard, as opposed to a gold standard, which “places the direction of the world monetary policy in the hands of a single country,” which was “not acceptable to Western Europe or Japan.”[30] Addressing this issue was among the reasoning behind the creation of the Trilateral Commission.

The Oil Crisis

The May 1973 meeting of the Bilderberg Group occurred five months prior to the extensive oil price rises brought about by the Yom Kippur War. However, according to leaked minutes from the meeting, a 400% increase in the price of oil was discussed, and meeting participants were creating a “plan [on] how to manage the about-to-be-created flood of oil dollars.”[31] Oil is no issue foreign to the interests of the Bilderberg Group, as among the 1973 participants were the CEOs of Royal Dutch Shell, British Petroleum (BP), Total S.A., ENI, Exxon, as well as significant banking interests and individuals such as Baron Edmond de Rothschild and David Rockefeller, and the US Secretary of State at the time, Henry Kissinger.[32]

In 1955, Henry Kissinger, a young scholar at the time, was brought into the Council on Foreign Relations, where he distinguished himself as a prominent Council member and became a protégé to Nelson Rockefeller, one of David Rockefeller’s brothers. In 1969, Kissinger became Richard Nixon’s National Security Adviser.[33] This Bilderberg meeting was taking place during a time of great international instability, particularly in the Middle East.

Kissinger, as National Security Adviser, was in a power struggle with Secretary of State William Rogers over foreign policy. Nixon even referred to the continual power struggle between Kissinger as National Security Adviser and Secretary of State William Rogers, saying that, “Henry's personality problem is just too goddamn difficult for us to deal [with],” and that Kissinger’s “psychopathic about trying to screw [Secretary of State William] Rogers.” Nixon even said that if Kissinger wins the struggle against Rogers, Kissinger would “be a dictator.” Nixon told his Chief of Staff, Haldeman, that Kissinger feels “he must be present every time I see anybody important.”[34]

At the time of the Yom Kippur War, Nixon was in the middle of major domestic issues, as the Watergate scandal was breaking, leading to an increase in the power and influence of Kissinger, as “The president was deeply preoccupied, and at times incapacitated by self-pity or alcohol.”[35] By 1970, Kissinger had Rogers “frozen out of policy-making on Southeast Asia,” during the Vietnam War, so Rogers “concentrated on the Middle East.” Eventually, Nixon had Rogers resign, and then Henry Kissinger took the position as both National Security Adviser and Secretary of State.[36]

As Kissinger later said in a speech marking the 25th anniversary of the Trilateral Commission, “In 1973, when I served as Secretary of State, David Rockefeller showed up in my office one day to tell me that he thought I needed a little help,” and that, “David’s function in our society is to recognize great tasks, to overcome the obstacles, to help find and inspire the people to carry them out, and to do it with remarkable delicacy.” Kissinger finished his speech by saying, “David, I respect you and admire you for what you

have done with the Trilateral Commission. You and your family have represented what goes for an aristocracy in our country—a sense of obligation not only to make it materially possible, but to participate yourself in what you have made possible and to infuse it with the enthusiasm, the innocence, and the faith that I identify with you and, if I may say so, with your family.”[37]

Kissinger sabotaged Rogers’ peace negotiations with Egyptian President Anwar Sadat, who, at the time, was trying to rally other Arab leaders against Israel. In 1972, King Faisal of Saudi Arabia had “insisted that oil should not be used as a political weapon.” However, “in 1973, Faisal announced that he was changing his mind about an oil embargo.” Faisal held a meeting with western oil executives, warning them. Sadat told Faisal of the plan to attack Israel, and Faisal agreed to help both financially and with the “oil weapon.” Days later, the Saudi oil minister, Sheik Ahmed Yamani, “began dropping hints to the oil companies about a cutback in production that would affect the United States.” Yamani said Henry Kissinger had been “misleading President Nixon about the seriousness of Faisal’s intentions.”[38]

On October 4, the US National Security Agency (NSA) “knew beyond a shadow of a doubt that an attack on Israel would take place on the afternoon of October 6.” However, the Nixon White House “ordered the NSA to sit on the information,” until the US warned Israel a few hours before the attack, even though “Nixon’s staff had at least two days’ advance warning that an attack was coming on October 6.”[39] Hours before the attack on Israel by Syria and Egypt, the U.S. warned its Israeli counterparts, however, “the White House insisted that the Israelis do nothing: no preemptive strikes, no firing the first shot. If Israel wanted American support, Kissinger warned, it could not even begin to mobilize until the Arabs invaded.” Israeli Prime Minister Golda Meir stood Israeli defences down, citing “Kissinger’s threats as the major reason.” Interestingly, Kissinger himself was absent from his office on the day of the attack, and he knew days before when it was set to take place, yet, still went to the Waldorf Astoria in New York. Further, he waited three days before convening a U.N. Security Council meeting.[40] The attack needed to go forward, as directed by the backdoor diplomacy of Kissinger.

With the outbreak of the Yom Kippur War on October 6, 1973, Kissinger “centered control of the crisis in his own hands.” After the Israelis informed the White House that the attack on them had taken place, Kissinger did not consult Nixon or even inform him on anything for three hours, who was at his retreat in Florida. After talking to Nixon hours later, Kissinger told him that, “we are on top of it here,” and “the president left matters in Kissinger’s hands.” Alexander Haig, Kissinger’s former second in command in the National Security Council, then Chief of Staff to Nixon, was with the President on that morning. Haig told Kissinger “that Nixon was considering returning to Washington, [but] Kissinger discouraged it—part of a recurring pattern to keep Nixon out of the process.” For three days, it was Kissinger who “oversaw the diplomatic exchanges with the Israelis and Soviets about the war. Israeli prime minister Golda Meir’s requests for military supplies, which were beginning to run low, came not to Nixon but to Kissinger.” On October 11, the British Prime Minister called asking to speak to Nixon, to which Kissinger responded, “Can we tell them no? When I talked to the President he was loaded,” but the British were told, “the prime minister could speak to Kissinger.”[41]

On October 12, the major American oil companies sent a letter to Nixon suggesting the Arab countries “should receive some price increase,” and Nixon, following Kissinger’s advice, sent arms to Israel, which precipitated the Arab OPEC countries to announce a 70% increase in the price of oil on October 16th, and announce an oil embargo against the US on the 17th.[42]

The Bilderberg meeting five months prior involved participants planning “how to manage the about-to-be-created flood of oil dollars.” At the meeting, an OPEC Middle East oil revenue rise of over 400% was predicted. A Bilderberg document from the meeting stated that, “The task of improving relations between energy importing countries should begin with consultations between Europe, the US and Japan. These three regions, which represented about 60 per cent of world energy consumption, accounted for an even

greater proportion of world trade in energy products, as they absorbed 80 per cent of world energy exports.” The same document also stated that “an energy crisis or an increase in energy costs could irretrievably jeopardize the economic expansion of developing countries which had no resources of their own,” and the “misuse or inadequate control of the financial resources of the oil producing countries could completely disorganize and undermine the world monetary system.”[43]

As economist F. William Engdahl noted in his book, *A Century of War*, “One enormous consequence of the ensuing 400 per cent rise in OPEC oil prices was that investments of hundreds of millions of dollars by British Petroleum, Royal Dutch Shell [both present at Bilderberg] and other Anglo-American petroleum concerns in the risky North Sea could produce oil at a profit,” as “the profitability of these new North Sea oilfields was not at all secure until after the OPEC price rises.”[44] In 2001, the former Saudi representative to OPEC, Sheik Ahmed Yamani, said, “I am 100 per cent sure that the Americans were behind the increase in the price of oil. The oil companies were in real trouble at that time, they had borrowed a lot of money and they needed a high oil price to save them.” When he was sent by King Faisal to the Shah of Iran in 1974, the Shah said that it was Henry Kissinger who wanted a higher price for oil.[45]

An article in *Foreign Policy*, the journal published by the Carnegie Endowment for International Peace, concluded from exhaustive research, that, “Since 1971, the United States has encouraged Middle East oil-producing states to raise the price of oil and keep it up.” This conclusion was based upon State Department documents, congressional testimony and interviews with former policy-makers.[46] At the Eighth Petroleum Congress of the League of Arab States (Arab League) in 1972, James Akins, head of the fuel and energy section of the State Department, gave a speech in which he said that oil prices were “expected to go up sharply due to lack of short-term alternatives to Arab oil,” and that this was, “an unavoidable trend.” A Western observer at the meeting said Akins’ speech was essentially, “advocating that Arabs raise the price of oil to \$5 per barrel.” The oil industry itself was also becoming more unified in their position. The National Petroleum Council (NPC), “a government advisory body representing oil industry interests, waited until Nixon was safely re-elected before publishing a voluminous series of studies calling for a doubling of U.S. oil and gas prices.”[47]

The summer before the Yom Kippur War, in 1973, James Akins was made U.S. Ambassador to Saudi Arabia. He also happened to be a member of the Council on Foreign Relations.[48] Saudi Arabian minister for petroleum and representative to OPEC, Sheik Ahmed Yamani, stated in February of 1973, that, “it is in the interests of the oil companies that prices be raised,” as “their profits are collected from the production stage.” It was also in the interests of the US, as OPEC will have a massive increase in revenues to be invested, likely in the US, itself.[49]

The oil companies themselves were also fearful of having their business facilities in OPEC countries nationalized, so they “were anxious to engage OPEC countries in the oil business in the United States, in order to give them an interest in maintaining the status quo.” Weeks before war broke out, the National Security Council, headed by Kissinger, issued a statement saying that military intervention in the event of a war in the Middle East was “ruled out of order.”[50]

U.S. Ambassador to Saudi Arabia, James Akins, later testified in congress on the fact that when, in 1975, the Saudis went to Iran to try to get the Shah to roll back the price of oil, they were told that Kissinger told the Iranians that, “the United States understood Iran’s desire for higher oil prices.”[51] Akins was removed from Saudi Arabia in 1975, “following policy disputes with Secretary of State Henry Kissinger.”[52]

The OPEC oil price increases resulted in the “removal of some withholding taxes on foreign investment” in the United States, “unchecked arms sales, which cannot be handled without U.S. support personnel, to

Iran and Saudi Arabia,” as well as an “attempt to suppress publication of data on volume of OPEC funds on deposit with U.S. banks.”[53] Ultimately, the price increases “would be of competitive advantage to the United States because the economic damage would be greater to Europe and Japan.” Interestingly, “Programs for sopping up petrodollars have themselves become justifications for the continued flow of U.S. and foreign funds to pay for higher priced oil. In fact, a lobby of investors, businessmen, and exporters [was] growing in the United States to favor giving the OPEC countries their way.” Outside the United States, it is “widely believed” that the high-priced oil policy was aimed at hurting Europe, Japan, and the developing world.[54] There was also “input from the oil industry” which went “into the formulation of U.S. international oil policy.”[55]

In 1974, when a White House official suggested to the Treasury to force OPEC to lower the price of oil, his idea was swept under, and he later stated that, “It was the banking leaders who swept aside this advice and pressed for a ‘recycling’ program to accommodate to higher oil prices.” In 1975, a Wall Street investment banker was sent to Saudi Arabia to be the main investment adviser to the Saudi Arabian Monetary Agency (SAMA), and “he was to guide the Saudi petrodollar investments to the correct banks, naturally in London and New York.”[56]

In 1974, another OPEC oil price increase of more than 100 percent was undertaken, following a meeting in Tehran, Iran. This initiative was undertaken by the Shah of Iran, who just months before was opposed to the earlier price increases. Sheikh Yamani, the Saudi oil minister, was sent to meet with the Shah of Iran following his surprise decision to raise prices, as Yamani was sent by Saudi King Faisal, who was worried that higher prices would alienate the US, to which the Shah said to Yamani, “Why are you against the increase in the price of oil? That is what they want? Ask Henry Kissinger - he is the one who wants a higher price.”[57]

As Peter Gowan stated in *The Globalization Gamble*, “the oil price rises were the result of US influence on the oil states and they were arranged in part as an exercise in economic statecraft directed against America’s ‘allies’ in Western Europe and Japan. And another dimension of the Nixon administration’s policy on oil price rises was to give a new role, through them, to the US private banks in international financial relations.” He explained that the Nixon administration was pursuing a higher oil price policy two years before the Yom Kippur War, and “as early as 1972 the Nixon administration planned for the US private banks to recycle the petrodollars when OPEC finally did take US advice and jack up oil prices.”[58] Ultimately, the price rises had devastating impacts on Western Europe and Japan, which were quickly growing economies, but which were heavily dependent upon Middle eastern oil. This is an example of how the US, while championing a liberal international economic order, acted in a mercantilist fashion, depriving competitors through improving its own power and influence.

In 1973, David Rockefeller set up the Trilateral Commission to promote coordination and cooperation among Japan, Western Europe, and North America (namely, the US), yet, in the same year, his good friend and close confidante, Henry Kissinger, played a key role in promoting and orchestrating the oil price rises that had a damaging impact upon Japan and Western Europe. Also it should be noted, David Rockefeller’s Chase Manhattan Bank, of which he was CEO at the time, profited immensely off of the petrodollar recycling system promoted by Henry Kissinger, where the OPEC countries would reinvest their new excess capital into the American economy through London and New York banks.

How does one account for these seemingly diametrically opposed initiatives? Perhaps the oil crisis, having a negative effect on Japan and Western European economies, could have spurred the necessity for cooperation among the trilateral countries, forcing them to come together and coordinate future policies.

It is of vital importance to understand the global conditions in which the price rises and its solutions arose, particularly in relation to the Third World. Africa, since the late 1800s, had been under European

colonial control. It was from the 1950s to the 1960s that almost all African countries were granted independence from their European metropolises. Africa is a very significant case to look at, as it is extremely rich in many resources, from agriculture to oil, minerals, and a huge variety of other resources used all around the world. If African nations were able to develop their own economies, use their own resources, and create their own industries and businesses, they could become self-sufficient at first, and then may become a force of great competition for the established industries and elites around the world. After all, Europe does not have much to offer in terms of resources, as the continent's wealth has largely come from plundering the resources of regions like Africa, and in becoming captains of monetary manipulation. A revitalized, vibrant, economically independent and successful Africa could spell the end of Western financial dominance. "Between 1960 and 1975 African industry grew at the annual rate of 7.5 per cent. This compared favourably with the 7.2 per cent for Latin America and 7.5 per cent for South-East Asia." [59] In Africa, "the 1960-73 period witnessed some important first steps in the process of industrialization," however, "[t]he dramatic decline in rates of industrialization began to show after the first 'oil crisis'. Between 1973 and 1984, the rate of growth" rapidly declined. [60]

So, by manipulating the price of oil, you can manipulate the development of the Third World, which was beginning to look as if it could grow into significant competition, as it was experiencing exponential growth. There were two oil shocks in the 1970s; one in 1973 and another in 1979. Following the price rises, there was a need for the developing countries of the world to borrow money to finance development.

The banks that were getting massive amounts of petrodollars deposited into them from the oil producing countries needed to "recycle" the dollars by investing them somewhere, in order to make a profit. Luckily for the banks, "[d]eveloping countries were desperate for funds to help them industrialize their economies. In some cases, developing countries were oil consumers and required loans to help pay for rising oil prices. In other cases, a decision had been made to follow a strategy of indebted industrialization. This meant that states borrowed money to invest in industrialization and would pay off the loans from the profits of their new industries. Loans were an attractive option because they did not come with the influence of foreign transnational corporations that accompanied foreign direct investment and most states had few funds of their own to invest." [61]

The oil price rises "changed the face of world finance," as: "In the new era of costly energy, scores of countries, not all of them in the Third World, were too strapped to pay their imported-oil bills. At the same time, Western banks suddenly received a rush of deposits from oil-producing nations. It seemed only logical, even humane, that the banks should recycle petrodollars." This is where the true face of Trilateralism began to show: "It became an everyday event for one or two lead banks in the U.S. or Western Europe to round up dozens of partners by telephone to put together so-called jumbo syndicates for loans to developing countries. Some bankers were so afraid of missing out that during lunch hours they even empowered their secretaries to promise \$5 million or \$10 million as part of any billion-dollar loan package for Brazil or Mexico." Interestingly, these banks argued, "that their foreign loans were encouraged by officials at the U.S. Treasury and Federal Reserve Board. They feared that developing countries would become economically and politically unstable if credit was denied. In 1976 Arthur Burns, chairman of the Federal Reserve, began cautioning bankers that they might be lending too much overseas, but he did nothing to curb the loans. For the most part, they ignored the warning. Financiers were confident that countries like Mexico, with its oil reserves, and Brazil, with abundant mineral resources, were good credit risks." [62]

According to a report produced by the Federal Reserve, prior to the 1973 oil crisis, "the private Japanese financial system remained largely isolated from the rest of the world. The system was highly regulated," and, "various types of banking firms and other financial service firms were legally and administratively confined to a specified range of activities assigned to each." However, the "OPEC oil shock in 1973

signaled a turning point in the operation of the Japanese financial system.”[63] As part of this turning point, the Bank of Japan (the central bank of Japan), relaxed “monetary control by lending more generously to the major banks. The result was a growing budget deficit and a rapid rise in inflation.”[64] The deregulation of Japanese banking access to foreign markets went hand-in-hand with the deregulation of domestic markets. It was a two-way street; as Japanese industry and banks gained access to foreign markets, foreign industry and banks gained access to the Japanese market. This led to the growth of Japanese banks internationally, of which today many are among the largest banks in the world. This was a result of the Trilateral Commission’s efforts. Also evident of the Trilateral partnership was that western banks “made loans so that poor countries could purchase goods made in Western Europe and North America.”[65]

Of great significance was that, “the new international monetary arrangements gave the United States government far more influence over the international monetary and financial relations of the world than it had enjoyed under the Bretton Woods system. It could freely decide the price of the dollar. And states would become increasingly dependent upon developments in Anglo-American financial markets for managing their international monetary relations. And trends in these financial markets could be shifted by the actions (and words) of the US public authorities, in the Treasury Department and the Federal Reserve Board (the US Central Bank).”[66] This new system is referred to as the Dollar-Wall Street Regime (DWSR), as it is dependent upon the US dollar and the key actors on Wall Street.

The Federal Reserve’s response to the initial 1973-74 oil price shock was to keep interest rates low, which led to inflation and a devalued dollar. It’s also what allowed and encouraged banks to lend massive amounts to developing countries, often lending more than their net worth. However, in 1979, with the second oil shock, the Federal Reserve changed policy, and the true nature of the original oil crisis, petrodollar recycling and loans became apparent.

The Rise of Neo-Liberalism

In the early 1970s, the government of Chile was led by a leftist socialist-leaning politician named Salvador Allende, who was considering undertaking a program of nationalization of industries, which would significantly affect US business interests in the country. David Rockefeller expressed his view on the issue in his book, *Memoirs*, when he said that actions taken by Chile’s new government “severely restricted the operations of foreign corporations,” and he continued, saying, “I was so concerned about the situation that I met with Secretary of State William P. Rogers and National Security Advisor Henry Kissinger.”[67]

As author Peter Dale Scott analyzed in his book, *The Road to 9/11*, David Rockefeller played a pivotal role in the events in Chile. After a failed attempt at trying to solve the ‘situation’ by sending David’s brother Nelson Rockefeller, the Governor of New York, down to Latin America, David Rockefeller attempted a larger operation. David Rockefeller told the story of how his friend Agustin (Doonie) Edwards, the publisher of *El Mercurio*, had warned David that if Allende won the election, Chile would “become another Cuba, a satellite of the Soviet Union.” David then put Doonie “in touch with Henry Kissinger.”[68]

In the same month that Kissinger met with Edwards, the National Security Council (of which Kissinger held the top post) authorized CIA “spoiling operations” to prevent the election of Allende. David Rockefeller had known Doonie Edwards from the Business Group for Latin America (BGLA), which was founded by Rockefeller in 1963, later to be named the Council of the Americas. Rockefeller founded it initially, in cooperation with the US government, “as cover for [CIA’s] Latin American operations.” The US Assistant Secretary of State for Latin American Affairs at the time was Charles Meyer, formerly with Rockefeller’s BGLA, who said that he was chosen for his position at the State Department “by David

Rockefeller.” When Allende was elected on September 4, 1970, Doonie Edwards left Chile for the US, where Rockefeller helped him “get established” and the CEO of PepsiCo, Donald Kendall, gave him a job as a Vice President. Ten days later, Donald Kendall met with Richard Nixon, and the next day, Nixon, Kissinger, Kendall and Edwards had breakfast together. Later that day, Kissinger arranged a meeting between Edwards and CIA director, Richard Helms. Helms met with both Edwards and Kendall, who asked the CIA to intervene. Later that day, Nixon told Helms and Kissinger to “move against Allende.”[69]

However, before Edwards met with the CIA director, Henry Kissinger had met privately with “David Rockefeller, chairman of the Chase Manhattan Bank, which had interests in Chile that were more extensive than even Pepsi-Cola’s.” Rockefeller even allowed the CIA to use his bank for “anti-Allende Chilean operations.”[70] After Allende came to power, “commercial banks, including Chase Manhattan, Chemical, First National City, Manufacturers Hanover, and Morgan Guaranty, cancelled credits to Chile,” and the “World Bank, Inter-American Development Bank, Agency for International Development, and the Export-Import Bank either cut programs in Chile or cancelled credits.” However, “military aid to Chile, which has always been substantial, doubled in the 1970-1974 period as compared to the previous four years.”[71]

On September 11, 1973, General Augusto Pinochet orchestrated a coup d’état, with the aid and participation of the CIA, against the Allende government of Chile, overthrowing it and installing Pinochet as dictator. The next day, an economic plan for the country was on the desks of “the General Officers of the Armed Forces who performed government duties.” The plan entailed “privatization, deregulation and cuts to social spending,” written up by “U.S.-trained economists.”[72] These were the essential concepts in neoliberal thought, which, through the oil crises of the 1970s, would be forced upon the developing world through the World Bank and IMF.

In essence, Chile was the neo-liberal Petri-dish experiment. This was to expand drastically and become the very substance of the international economic order.

Globalization: A Liberal-Mercantilist Economic Order?

Neo-Liberals Take the Forefront

In 1971, Jimmy Carter, a somewhat obscure governor from Georgia had started to have meetings with David Rockefeller. They became connected due to Carter’s support from the Atlanta corporate elite, who had extensive ties to the Rockefellers. So in 1973, when David Rockefeller and Zbigniew Brzezinski were picking people to join the Trilateral Commission, Carter was selected for membership. Carter thus attended every meeting, and even paid for his trip to the 1976 meeting in Japan with his campaign funds, as he was running for president at the time. Brzezinski was Carter’s closest adviser, writing Carter’s major campaign speeches.[73]

When Jimmy Carter became President, he appointed over two-dozen members of the Trilateral Commission to key positions in his cabinet, among them, Zbigniew Brzezinski, who became National Security Adviser; Samuel P. Huntington, Coordinator of National Security and Deputy to Brzezinski; Harold Brown, Secretary of Defense; Warren Christopher, Deputy Secretary of State; Walter Mondale, Vice President; Cyrus Vance, Secretary of State; and in 1979, he appointed David Rockefeller’s friend, Paul Volcker, as Chairman of the Federal Reserve Board.[74]

In 1979, the Iranian Revolution spurred another massive increase in the price of oil. The Western nations, particularly the United States, had put a freeze on Iranian assets, “effectively restricting the access of Iran to the global oil market, the Iranian assets freeze became a major factor in the huge oil price increases of

1979 and 1981.”[75] Added to this, in 1979, British Petroleum cancelled major oil contracts for oil supply, which along with cancellations taken by Royal Dutch Shell, drove the price of oil up higher.[76]

However, in 1979, the Federal Reserve, now the lynch-pin of the international monetary system, which was awash in petro-dollars (US dollars) as a result of the 1973 oil crisis, decided to take a different action from the one it had taken earlier. In August of 1979, “on the advice of David Rockefeller and other influential voices of the Wall Street banking establishment, President Carter appointed Paul A. Volcker, the man who, back in August 1971, had been a key architect of the policy of taking the dollar off the gold standard, to head the Federal Reserve.”[77]

Volcker got his start as a staff economist at the New York Federal Reserve Bank in the early 50s. After five years there, “David Rockefeller’s Chase Bank lured him away.”[78] So in 1957, Volcker went to work at Chase, where Rockefeller “recruited him as his special assistant on a congressional commission on money and credit in America and for help, later, on an advisory commission to the Treasury Department.”[79] In the early 60s, Volcker went to work in the Treasury Department, and returned to Chase in 1965 “as an aide to Rockefeller, this time as vice president dealing with international business.” With Nixon entering the White House, Volcker got the third highest job in the Treasury Department. This put him at the center of the decision making process behind the dissolution of the Bretton Woods agreement.[80] In 1973, Volcker became a member of Rockefeller’s Trilateral Commission. In 1975, he got the job as President of the New York Federal Reserve Bank, the most powerful of the 12 branches of the Fed.

In 1979, Carter gave the job of Treasury Secretary to Arthur Miller, who had been Chairman of the Fed. This left an opening at the Fed, which was initially offered by Carter to David Rockefeller, who declined, and then to A.W. Clausen, Chairman of Bank of America, who also declined. Carter repeatedly tried to get Rockefeller to accept, and ultimately Rockefeller recommended Volcker for the job.[81] Volcker became Chairman of the Federal Reserve System, and immediately took drastic action to fight inflation by radically increasing interest rates.

The world was taken by shock. This was not a policy that would only be felt in the US with a recession, but was to send shock waves around the world, devastating the Third World debtor nations. This was likely the ultimate aim of the 1970s oil shocks and the 1979 Federal Reserve shock therapy. With the raising of interest rates, the cost of international money also rose. Thus, the interest rates on international loans made throughout the 1970s rose from 2% in the 1970s to 18% in the 1980s, dramatically increasing the interest charges on loans to developing countries.[82]

In the developing world, states that had to import oil faced enormous bills to cover their debts, and even oil producing countries, such as Mexico, faced huge problems as they had borrowed heavily in order to industrialize, and then suffered when oil prices fell again as the recession occurring in the developed states reduced demand. Thus, in 1982, Mexico declared that it could no longer pay its debt, meaning that, “they could no longer cover the cost of interest payments, much less hope to repay the debt.” The result was the bursting of the debt bubble. Banks then halted their loans to Mexico, and “Before long it was evident that states such as Brazil, Venezuela, Argentina, and many sub-Saharan African countries were in equally difficult financial positions.”[83]

The IMF and World Bank entered the scene newly refurbished with a whole new outlook and policy program designed just in time for the arrival of the debt crisis. The IMF “negotiated standby loans with debtors offering temporary assistance to states in need. In return for the loans states agreed to undertake structural adjustment programs (SAPs). These programs entailed the liberalization of economies to trade and foreign investment as well as the reduction of state subsidies and bureaucracies to balance national

budgets.”[84] Thus, the neoliberal project of 1973 in Chile was expanded into the very functioning of the International Financial Institutions (IFIs).

Neoliberalism is “a particular organization of capitalism, which has evolved to protect capital(ism) and to reduce the power of labour. This is achieved by means of social, economic and political transformations imposed by internal forces as well as external pressure,” and it entails the “shameless use of foreign aid, debt relief and balance of payments support to promote the neoliberal programme, and diplomatic pressure, political unrest and military intervention when necessary.”[85] Further, “neoliberalism is part of a hegemonic project concentrating power and wealth in elite groups around the world, benefiting especially the financial interests within each country, and US capital internationally. Therefore, globalization and imperialism cannot be analysed separately from neoliberalism.”[86]

Joseph Stiglitz, former Chief Economist of the World Bank, wrote in his book, *Globalization and its Discontents*, “In the 1980s, the Bank went beyond just lending for projects (like roads and dams) to providing broad-based support, in the form of structural adjustment loans; but it did this only when the IMF gave its approval – and with that approval came IMF-imposed conditions on the country.”[87] As economist Michel Chossudovsky wrote, “Because countries were indebted, the Bretton Woods institutions were able to oblige them through the so-called ‘conditionalities’ attached to the loan agreements to appropriately redirect their macro-economic policy in accordance with the interests of the official and commercial creditors.”[88]

The nature of SAPs is such that the conditions imposed upon countries that sign onto these agreements include: lowering budget deficits, devaluing the currency, limiting government borrowing from the central bank, liberalizing foreign trade, reducing public sector wages, price liberalization, deregulation and altering interest rates.[89] For reducing budget deficits, “precise ‘ceilings’ are placed on all categories of expenditure; the state is no longer permitted to mobilize its own resources for the building of public infrastructure, roads, or hospitals, etc.”[90]

Joseph Stiglitz wrote that, “the IMF staff monitored progress, not just on the relevant indicators for sound macromanagement – inflation, growth, and unemployment – but on intermediate variables, such as the money supply,” and that “In some cases the agreements stipulated what laws the country’s Parliament would have to pass to meet IMF requirements or ‘targets’ – and by when.”[91] Further, “The conditions went beyond economics into areas that properly belong in the realm of politics,” and that “the way conditionality was imposed made the conditions politically unsustainable; when a new government came into power, they would be abandoned. Such conditions were seen as the intrusion by the new colonial power on the country’s own sovereignty.”[92]

“The phrase ‘Washington Consensus’ was coined to capture the agreement upon economic policy that was shared between the two major international financial institutions in Washington (IMF and World Bank) and the US government itself. This consensus stipulated that the best path to economic development was through financial and trade liberalization and that international institutions should persuade countries to adopt such measures as quickly as possible.”[93] The debt crisis provided the perfect opportunity to quickly impose these conditions upon countries that were not in a position to negotiate and with no time to spare, desperately in need of loans. Without the debt crisis, such policies may have been subject to greater scrutiny, and with a case-by-case analysis of countries adopting SAPs, the world would become quickly aware of their dangerous implications. The debt crisis was absolutely necessary in implementing the SAPs on an international scale in a short amount of time.

The effect became quite clear, as the result “of these policies on the population of developing countries was devastating. The 1980s is known as the ‘lost decade’ of development. Many developing countries’ economies were smaller and poorer in 1990 than in 1980. Over the 1980s and 1990s, debt in many

developing countries was so great that governments had few resources to spend on social services and development.”[94] With the debt crisis, countries in the developing world were “[s]tarved of international finance, [and] states had little choice but to open their economies to foreign investors and trade.”[95] The “Third World” was recaptured in the cold grasp of economic colonialism under the auspices of neo-liberal economic theory.

A Return to Statist Theory

Since the 1970s, mercantilist thought had re-emerged in mainstream political-economic theory. Under various names such as neo-mercantilism, economic nationalism or statism, they hold as vital the centrality of the state in the global political economy. Much “Globalization” literature puts an emphasis on the “decline of the state” in the face of an integrated international economic order, where borders are made illusory. However, statist theory at least helps us understand that the state is still a vital factor within the global political economy, even in the midst of a neo-liberal economic order.

Within the neo-liberal economic order, it was the powerful western (primarily US and Western European) states that imposed neo-mercantilist or statist policies in order to protect and promote their interests within the global political economy. Some of these methods were revolved around policy tools such as export subsidies, imposed to lower the price of goods, which would make them more attractive to importers, giving that particular nation an advantage over the competition.

For example, the US has enormous agriculture export subsidies, which make US agriculture and grain an easily affordable, attractive and accessible commodity for importing nations. Countries of the global south (the Lesser-Developed Countries, LDCs), subject to neo-liberal policies imposed upon them by the World Bank and IMF were forced to open their economies up to foreign capital. The World Bank would bring in heavily subsidized US grain to these poor nations under the guise of “food aid,” which would have the affect of destabilizing the nation’s agriculture market, as the heavily subsidized US grains would be cheaper than local produce, putting farmers out of business. Most LDCs are predominantly rural based, so when the farming sector is devastated, so too is the entire nation. They plunge into economic crisis and even famine.

With the statist approach, theorists examine how the state is still relevant in shaping economic outcomes and still remains a powerful entity in the international arena. One theorist who is prominent within the statist school is Robert Gilpin. Gilpin, a professor at the Woodrow Wilson School of Public and International Affairs at Princeton, is also a member of the Council on Foreign Relations. In his book, *Global Political Economy*, Gilpin postulated that multinational corporations were an invention of the United States, and indeed an “American phenomenon” upon which European and Asian states responded by internationalizing their own firms. In this sense, his theory postulated to a return to the competitive nature of mercantilist economic theory, in which one state gains at the expense of another. He also addresses the nature of the international economy, in that both historically and presently, there was a single state acting as the main enforcer and manager of the global economy. Historically, it was Britain, and presently, it was the United States.

One cannot deny the significance of the state in the global political economy, as it has been, and still remains very relevant. The events of 1973 are exemplary of this, however, more must be examined in order to better understand the situation. Though states are still prominent actors, it is vital to address in whose interest they act. Mercantilist and statist theorists tend to focus on the concept that states act in their own selfish interest, for the benefit of the state, both politically and economically. However, this is somewhat linear and diversionary, as it does not address the precise structure of the state economy, specifically in terms of its monetary and central banking system.

States, most especially the large hegemonic ones, such as the United States and Great Britain, are controlled by the international central banking system, working through secret agreements at the Bank for International Settlements (BIS), and operating through national central banks (such as the Bank of England and the Federal Reserve). The state is thus owned by an international banking cartel, and though the state acts in such a way that proves its continual relevance in the global economy, it acts so not in terms of self-interest for the state itself, but for the powerful interests that control that state. The same international banking cartel that controls the United States today previously controlled Great Britain and held it up as the international hegemon. When the British order faded, and was replaced by the United States, the US ran the global economy. However, the same interests are served. States will be used and discarded at will by the international banking cartel; they are simply tools.

In this sense, interdependence theory, which presumes the decline of the state in international affairs, fails to acknowledge the role of the state in promoting and undertaking the process of interdependence. The decline of the nation-state is a state-driven process, and is a process that leads to a rise of the continental state and the global state. States, are still very relevant, but both liberal and mercantilist theorists, while helpful in understanding the concepts behind the global economy, lay the theoretical groundwork for a political economic agenda being undertaken by powerful interests. Like Robert Cox said, "Theory is always for someone and for some purpose."

Hegemonic-Stability Theory

In his book, *Global Political Economy*, Gilpin explained that, "In time, if unchecked, the integration of an economy into the world economy, the intensifying pressures of foreign competition, and the necessity to be efficient in order to survive economically could undermine the independence of a society and force it to adopt new values and forms of social organization. Fear that economic globalization and the integration of national markets are destroying or could destroy the political, economic, and cultural autonomy of national societies has become widespread." [96]

However, Gilpin explains that the "Creation of effective international regimes and solutions to the compliance problem require both strong international leadership and an effective international governance structure." Yet, he explains, "Regimes in themselves cannot provide governance structure because they lack the most critical component of governance – the power to enforce compliance. Regimes must rest instead on a political base established through leadership and cooperation." [97] This is where we see the emergence of Hegemonic Stability Theory.

Gilpin explains that, "The theory of hegemonic stability posits that the leader or hegemon facilitates international cooperation and prevents defection from the rules of the regime through use of side payments (bribes), sanctions, and/or other means, but can seldom, if ever, coerce reluctant states to obey the rules of a liberal international economic order." As he explained, "The American hegemon did indeed play a crucial role in establishing and managing the world economy following World War II." [98]

The roots of Hegemonic Stability Theory (HST) lie within both liberal and statist theory, as it is representative of a crossover theory that cannot be so easily placed in either category. The main concept champions the liberal notion of the open international economic system, guided by liberal principles of open-markets and free trade, while bringing in the statist concept of a single hegemonic state representing the concentration of political and economic power, as it is the enforcer of the liberal international economy.

The more liberal-leaning theorists of HST argue that a liberal economic order requires a strong, hegemonic state to maintain the smooth functioning of the international economy. One thing this state

must do is maintain the international monetary system, as Britain did under the gold standard and the United States did under the Dollar-Wall Street Regime, following the end of the Bretton-Woods dollar-gold link.

Regime Theory

Regime Theory is another crossover theory between liberal and mercantilist theorists. Its rise was primarily in reaction to the emergence of Hegemonic Stability Theory, in order to address the concern of a perceived decline in the power of the US. This was due to the rise of new economic powers in the 1970s, and another major purveyor of this theory was Robert Keohane. They needed to address how the international order could be maintained as the hegemonic power declined. The answer was in the building of international organizations to manage the international regime.

In this sense, Regime Theory has identified an important aspect of the global political economy, in that though states have upheld the international order in the past, never before has there been such an undertaking to institutionalize the authority over the international order through international organizations. These organizations, such as the World Bank, IMF, UN, and WTO, though still controlled and influenced by states, predominantly the international hegemon, the United States, represent a changing direction of internationalization and transnationalism. Regime Theorists tend to justify the formation of a more transnational apparatus of power, beyond just a single hegemonic state, into a more internationalized structure of authority.

Forging a “New World Order” Under a One World Government Global Power and Global Government: Part 4

Globalization and the New World Order

The 1990s saw the emergence of what was called the New World Order. This was a term that emerged in the early 1990s to describe a more unipolar world, addressing the collapse of the Soviet Union and the newfound role of the United States as the sole and unchallenged global power. The New World Order was meant to represent a new phase in the global political economy in which world authority rested in one place, and for the time, that place was to be the United States.

This era saw the continual expansion and formation of regional blocs, with the formation of the European Union, the signing of the North American Free Trade Agreement (NAFTA) and the creation of the WTO. The World Trade Organization was officially formed in 1995, as the successor to the General Agreements on Tariffs and Trade (GATT), which was formed in 1944 at the Bretton-Woods Conference. The WTO manages the international liberal trading order.

The first Director-General of the WTO was Peter D. Sutherland, who was previously the director general of GATT, former Attorney General of Ireland, and currently is Chairman of British Petroleum and Goldman Sachs International, as well as being special representative of the United Nations secretary-general for migrations. He is also a member of the board of the Royal Bank of Scotland Group, the Foundation Board of the World Economic Forum, goodwill ambassador to the United Nations Industrial Development Organisation, is a member of the Bilderberg Group, and is European Chairman of the Trilateral Commission, and he was presented with the Robert Schuman Medal for his work on European Integration and the David Rockefeller Award of the Trilateral Commission.[1] Clearly, the WTO was an organ of the western banking elite to be used as a tool in expanding and institutionalizing their control over world trade.

The European Superstate

In 1992, the Maastricht Treaty was signed, which officially formed the European Union in 1993. In 1994, the European Monetary Institute (EMI) was formed, with the European Central Bank (ECB) being formed in 1998, and the single European currency, the Euro, debuting in 1999. In 2004, the European Constitution was to be signed by all 25-member states of the EU, which was a treaty to establish a constitution for the entire European Union.

The Constitution was a move towards creating a European superstate, creating an EU foreign minister, and with it, coordinated foreign policy, with the EU taking over the seat of Britain on the UN Security Council, representing all EU member states, forcing the nations to “actively and unreservedly” follow an EU foreign policy; set out the framework to create an EU defence policy, as an appendage to or separate from NATO; the creation of a European Justice system, with the EU defining “minimum standards in defining offences and setting sentences,” and creates common asylum and immigration policy; and it would also hand over to the EU the power to “ensure co-ordination of economic and employment policies”; and EU law would supercede all law of the member states, thus making the member nations relative to mere provinces within a centralized federal government system.[2]

Vaclav Klaus, President of the Czech Republic, had stated that he feared that the concept of a stronger and more centralized European Union, as “the developments in the E.U. are really dangerous with regard to moving out of a free society and moving more and more toward masterminding control and regulation,” and that, “We [the Czech Republic] spent a half-century under communist eyes. We are more sensitive than some other West Europeans. We feel things, we see things, we touch things that we don't like. For us, the European Union reminds us of COMECON [Moscow's organization for economic control of the Soviet bloc].” He elaborated saying that the similarity with COMECON is not ideologically based, but in its structure, “The decisions are made not in your own country. For us who lived through the communist era, this is an issue.”[3]

The Constitution was largely written up by Valéry Giscard d'Estaing, former President of the French Republic from 1974 to 1981. Giscard d'Estaing also happens to be a member of the Bilderberg Group, the Trilateral Commission, and is also a close friend of Henry Kissinger, having co-authored papers with him. In 2005, French and Dutch voters answered the referendums in their countries, in which they rejected the EU Constitution, which required total unanimity in order to pass.

In 2007, a move was undertaken to introduce what was called the Lisbon Treaty, to be approved by all member-states. Giscard d'Estaing wrote an article for the Independent in which he stated that, “The difference between the original Constitution and the present Lisbon Treaty is one of approach, rather than content.” He described the process of creating the Lisbon Treaty: “It was the legal experts for the European Council who were charged with drafting the new text. They have not made any new suggestions. They have taken the original draft constitution, blown it apart into separate elements, and have then attached them, one by one, to existing treaties. The Treaty of Lisbon is thus a catalogue of amendments. It is unpenetrable for the public.” The main difference was that the word “constitution” was removed and banished from the text.[4]

The Telegraph reported that though the Treaty dropped the word “constitution,” it remained the same in “giving the EU the trappings of a global power and cutting national sovereignty.” It contained plans to create an EU President, who “will serve a two and half year term but unlike democratic heads of state he or she will be chosen by Europe's leaders not by voters” and “will take over key international negotiations from national heads of government.” The Constitution's “Foreign Minister” becomes the “High Representative,” who “will run a powerful EU diplomatic service and will be more important on the global and European stage than national foreign ministers.” It sets out to create an “Interior Ministry”

which will “centralise databases holding fingerprints and DNA,” and “make EU legislation on new police and surveillance powers.” The ability for EU nations to use vetoes will end, and the Treaty “includes a clause hardwiring an EU “legal personality” and ascendancy over national courts.”[5]

One country in Europe has it written into its constitution that it requires a referendum on treaties, and that country is Ireland. In June of 2008, the Irish went to vote on the Treaty of Lisbon, after weeks and months of being badgered by EU politicians and Eurocrats explaining that the Irish “owe” Europe a “Yes” vote because of the benefits the EU had bestowed upon Ireland. History will show, however, that the Irish don’t take kindly to being bossed around and patronized, so when they went to the polls, “No” was on their lips and on their ballots. The Irish thus rejected the Lisbon Treaty.

North American Integration

The Canada-US Free Trade Agreement of 1989, was signed by President George HW Bush and Canadian Prime Minister Brian Mulroney. The FTA had devastating consequences for the people of Canada and the United States, while enriching the corporate and political elite. For example, GDP growth decreased, unemployment increased the most since the Great Depression,[6] and meanwhile, Brian Mulroney entered the corporate world, of which he now sits as a board member of Barrick Gold Corporation, as well as sitting on the International Advisory Board of the Council on Foreign Relations,[7] of which David Rockefeller remains on as Honorary Chairman.

In 1990, the private sector lobbying groups and think tanks began the promotion of the North American Free Trade Agreement (NAFTA) to expand the Canada-US Free Trade Agreement to include Mexico. NAFTA was signed by then Canadian Prime Minister Jean Chrétien, US President George H.W. Bush and Mexican President Carlos Salinas, in 1993, and went into effect in 1994. It was negotiated during a time in which Mexico was undergoing liberal economic reforms, so NAFTA had the effect of cementing those reforms in an “economic constitution for North America.”[8]

David Rockefeller played a role in the push for NAFTA. In 1965, he had founded the Council for Latin America (CLA), which, as he wrote in a 1966 article in Foreign Affairs, was to mobilize private enterprise throughout the hemisphere “to stimulate and support economic integration.” The CLA, David wrote, “provides an effective channel of cooperation between businessmen in the United States and their counterparts in the countries to the south. It also offers a means of continuing communication and consultation with the White House, the State Department and other agencies of our government.”[9]

The CLA later changed its name to the Council of the Americas (CoA) and maintains a very close relationship with the Americas Society, founded at the same time as the CLA, of which David Rockefeller remains to this day as Chairman of both organizations. As David wrote in his autobiography, *Memoirs*, in the lead up to NAFTA, the Council of the Americas sponsored a Forum of the Americas, which was attended by President George H.W. Bush, which resulted in the call for a “Western Hemisphere free trade area.”[10]

In 1993, David Rockefeller wrote an article for the Wall Street Journal, in the run up to NAFTA, in which he advocated for the signing of NAFTA as essential, describing it as a vital step on the road to fulfilling his life long work, and that, “Everything is in place -- after 500 years -- to build a true “new world” in the Western Hemisphere,” and further, that “I truly don't think that “criminal” would be too strong a word to describe an action on our part, such as rejecting Nafta, that would so seriously jeopardize all the good that has been done -- and remains to be done.”[11]

In 1994, Mexico entered into a financial crisis, often referred to as the Mexican peso crisis. The 1980s debt crisis, instigated by the Federal Reserve’s interest rate hikes on international loans, caused Mexico to

default on its loans. The IMF had to enter the scene with its newly created Structural Adjustment Programs (SAPs) and reform Mexico's economy along neoliberal economic policies.

In the late 1980s, "the United States accounted for 73 percent of Mexico's foreign trade,"[12] and when NAFTA came into effect in 1994, it "immediately opened US and Canadian markets to 84 percent of Mexican exports." [13] Mexico even became a member of the World Trade Organization (WTO). The peso crisis, which began at the end of 1994, with the ascension of Mexican President Zedillo, went into 1995, and the US organized a bailout worth \$52 billion.[14] The bailout did not help the Mexican economy, as it was simply funneled into paying back loans to banks, primarily American banks, and the "crisis in 1995 was declared [by the IMF to be] over as soon as the banks and international lenders started to get repaid; but five years after the crisis, workers were just getting back to where they were beforehand." [15]

In 2002, Robert Pastor, Director of the Center for North American Studies at the American University in Washington, D.C., prepared a report that he presented to the Trilateral Commission meeting of that same year. The report, *A North American Community: A Modest Proposal to the Trilateral Commission*, advocated a continuation of the policy of "deep integration" in North America, recommending, "a continental plan for infrastructure and transportation, a plan for harmonizing regulatory policies, a customs union, [and] a common currency." [16] The report advocated the formation of a North American Community and Pastor wrote that, "a majority of the public in all three countries is prepared to join a larger North American country." [17]

In 2003, prior to Paul Martin becoming Prime Minister of Canada, the Canadian Council of Chief Executives (CCCE), formerly the BCNI, published on their website, a press release in which they, "urged Paul Martin to take the lead in forging a new vision for North America." Thomas d'Aquino, CEO of the Council, "urged that Mr. Martin champion the idea of a yearly summit of the leaders of Canada, Mexico and the United States in order to give common economic, social and security issues the priority they deserve in a continental, hemispheric and global context." Among the signatories to this statement were all the Vice Chairmen of the CCCE, including David Emerson, who would go on to join Martin's Cabinet. [18]

The CCCE then launched the North American Security and Prosperity Initiative, advocating "redefining borders, maximizing regulatory efficiencies, negotiation of a comprehensive resource security pact, reinvigorating the North American defence alliance, and creating a new institutional framework." [19]

The Independent Task Force on the Future of North America was then launched in 2005, composed of an alliance and joint project between the CCCE in Canada, the Council on Foreign Relations (CFR) in the United States, and the Mexican Council on Foreign Relations in Mexico. A press release was given on March 14, 2005, in which it said, "The chairs and vice-chairs of the Independent Task Force on the Future of North America today issued a statement calling for a North American economic and security community by 2010." [20]

On March 23, 2005, a mere nine days following the Task Force press release, the leaders of Canada, the US, and Mexico, (Paul Martin, George W. Bush, and Vicente Fox, respectively), announced "the establishment of the Security and Prosperity Partnership of North America," which constituted a course of "action into a North American framework to confront security and economic challenges." [21]

Within two months, the Independent Task Force on the Future of North America released their final report, *Building a North American Community*, proposing the continuation of "deep integration" into the formation of a North American Community, that "applauds the announced 'Security and Prosperity

Partnership of North America,' but proposes a more ambitious vision of a new community by 2010 and specific recommendations on how to achieve it.”[22]

At the 2006 meeting of the SPP, the creation of a new group was announced, called the North American Competitiveness Council (NACC), made up of corporate leaders from all three countries who produce an annual report and advise the three governments on how to implement the SPP process of “deep integration”. The Secretariat in Canada is the CCCE, and the Secretariat of the group in the US is made up of the US Chamber of Commerce and the Council of the Americas.[23] The Council of the Americas was founded by David Rockefeller, of which he is still Honourary Chairman, and other board members include individuals from J.P. Morgan, Merck, McDonald’s, Ford, the Federal Reserve Bank of New York, General Electric, Chevron, Shell, IBM, ConocoPhillips, Citigroup, Microsoft, Pfizer, Wal-Mart, Exxon, General Motors, Merrill Lynch, Credit Suisse and the US Department of Treasury.[24]

The process of integration is still underway, and the formation of a North American Community is not far off, only to be followed by a North American Union, modeled on the structure of the European Union, with talk of a North American currency being formed in the future,[25] which was even proposed by Canada’s former Governor of the Bank of Canada.[26]

The New World Order in Theory

In a 1997 article of Foreign Affairs, the journal of the Council on Foreign Relations, Anne-Marie Slaughter discussed the theoretical foundations of the New World Order. Building on George HW Bush’s proclamation of a New World Order in 1991, Slaughter wrote that many saw this as “the promise of 1945 fulfilled, a world in which international institutions, led by the United Nations, guaranteed international peace and security with the active support of the world’s major powers.” However, this concept, she explained, was largely infeasible, as “It requires a centralized rule-making authority, a hierarchy of institutions, and universal membership.” Instead, she explains the emergence of what she called a “new medievalism” as opposed to liberal internationalism. “Where liberal internationalists see a need for international rules and institutions to solve states’ problems, the new medievalists proclaim the end of the nation-state,” where “The result is not world government, but global governance. If government denotes the formal exercise of power by established institutions, governance denotes cooperative problem-solving by a changing and often uncertain cast.”[27]

However, Slaughter challenges the assumptions of both the liberal internationalists and the new medievalists, and states that, “The state is not disappearing, it is disaggregating into its separate, functionally distinct parts. These parts—courts, regulatory agencies, executives, and even legislatures—are networking with their counterparts abroad, creating a dense web of relations that constitutes a new, transgovernmental order,” and that, “transgovernmentalism is rapidly becoming the most widespread and effective mode of international governance.”[28] Slaughter was Dean of the Woodrow Wilson School of Public and International Affairs at Princeton University from 2002-2009, is currently Director of Policy Planning for the United States Department of State, and has previously served on the board of the Council on Foreign Relations.

Reconstructing Class Structure Under a World Government

Bank of Canada Governor Mark Carney, a former executive with Goldman Sachs, stated in his speech at the International Economic Forum of the Americas, that, “Globalized product, capital, and labour markets lie at the heart of the New World Order to which we should aspire. However, the next wave of globalization needs to be more firmly grounded and its participants more responsible,” and that, “Within our economies, major stock adjustments in inventories, labour, and capital will be required.” It is worth quoting him at length in saying:

Although global demand and trade levels appear to be approaching bottom, and inventory and labour adjustments have already been substantial, there is still more to come. *Unemployment will likely rise further across the G-7, with the sharpest increases still to come in those economies with the least-flexible labour markets.* Uncertainty over the employment outlook will weigh on consumption in most major economies for some time. The capital stock adjustment process will take longer, and global investment growth is likely to remain negative well into 2010. *This will serve as a significant drag on global growth and can be expected to reduce potential growth in most major economies.*[29]
[Emphasis added]

In terms of labour adjustments within the New World Order, there are some important and vital factors to take into account. Primary among these concerns is the notion of transnational classes. Capitalism largely functions through class divides, with the ruling class owning the means of production, which, as a class, is subject to its own hierarchy over which those that control and issue currencies preside.

In Western, industrialized nations, there has been a large middle class which thrives on consumption, enriching the upper class bourgeoisie, while the lower class, (or proletariat in Marxist terms), consists of the labour class. In non-western, industrialized nations, generally referred to as the “Third World”, “developing world” or the “Global South” (consisting of Latin America, Africa, and parts of Asia), there is a greater divide in terms in class lines, where there is a ruling class, and a labour class, largely remaining vacant of a vast, educated middle class. Class structures vary from country to country and region to region.

However, in the past several decades, the reality of class structures has been undergoing drastic changes, and with this, the structure of labour has changed. In the past few decades, a concurrent class restructuring has been taking place, in which the middle classes of the world descend into debt bondage while the upper classes of the world have begun a process of transnationalizing. What we have witnessed and are witnessing with recent events, is the transnationalization of class structures, and with that, labour forces.

Social Constructivism

A fascinating theoretical school of thought within the field of Global Political Economy is that of Social Constructivism. Social Constructivists argue that, “The social and political world, including the world of international relations, is not a physical entity or material object that is outside human consciousness. Consequently, the study of international relations must focus on the ideas and beliefs that inform the actors on the international scene as well as the shared understandings between them.” Expanding upon this idea:

The international system is not something ‘out there’ like the solar system. It does not exist on its own. It exists only as an intersubjective awareness among people; in that sense the system is constituted by ideas, not by material forces. It is a human invention or creation not of a physical or material kind but of a purely intellectual and ideational kind. It is a set of ideas, a body of thought, a system of norms, which has been arranged by certain people at a particular time and place.

Examples of socially constructed structures within the global political economy are national borders, as they have no physical line, but are rather formed by a shared understanding between various actors as to where the border is. The nation itself is a social construct, as it has no physical, over-arching form, but is made up of a litany of shared values, ideas, concepts, institutions, beliefs and symbols. Thus, “If the thoughts and ideas that enter into the existence of international relations change, then the system itself

will change as well, because the system consists in thoughts and ideas. That is the insight behind the oft-repeated phrase by constructivist Alexander Wendt: ‘anarchy is what states make of it’.[30]

Class Structure and Social Constructivism

William I. Robinson and Jerry Harris write in *Science & Society Journal*, that, “One process central to capitalist globalization is transnational class formation, which has proceeded in step with the internationalization of capital and the global integration of national productive structures. Given the transnational integration of national economies, the mobility of capital and the global fragmentation and decentralization of accumulation circuits, class formation is progressively less tied to territoriality.”[31] They argued that a Transnational Capitalist Class (TCC) has emerged, “and that this TCC is a global ruling class. It is a ruling class because it controls the levers of an emergent transnational state apparatus and of global decision making.”[32] This class has no borders, and is composed of the technocratic, media, corporate, banking, social and political elite of the world.

As Jackson and Sorenson point out in relation to social constructivist theory, “If ‘anarchy is what states make of it’ there is nothing inevitable or unchangeable about world politics,” and that, “The existing system is a creation of states and if states change their conceptions of who they are, what their interests are, what they want, etc. then the situation will change accordingly.” As an example, they stated that states could decide “to reduce their sovereignty or even to give up their sovereignty. If that happened there would no longer be an international anarchy as we know it. Instead, there would be a brave new, non-anarchical world – perhaps one in which states were subordinate to a world government.”[33]

As Robinson and Harris explain in their essay, with the rise of the Transnational Capitalist Class (TCC), there is also a rise in the apparatus of a Transnational State (TNS), which is “an emerging network that comprises transformed and externally integrated national states, together with the supranational economic and political forums; it has not yet acquired any centralized institutional form.”[34] Among the economic apparatus of the TNS we see the IMF, World Bank, WTO and regional banks. On the political side we see the Group of 7, Group of 22, United Nations, OECD, and the European Union. This was further accelerated with the Trilateral Commission, “which brought together transnationalized fractions of the business, political, and intellectual elite in North America, Europe, and Japan.” Further, the World Economic Forum has made up an important part of this class, and, I might add, the Bilderberg Group. Robinson and Harris point out that, “Studies on building a global economy and transnational management structures flowed out of think tanks, university centers, and policy planning institutes in core countries.”[35]

The TNS apparatus has been a vital principle of organization and socialization for the transnational class, “as have world class universities, transnationally oriented think tanks, the leading bourgeois foundations, such as Harvard’s School of International Business, the Ford [and Rockefeller] and the Carnegie Foundations, [and] policy planning groups such as the Council on Foreign Relations.” These “elite planning groups are important forums for integrating class groups, developing new initiatives, collective strategies, policies and projects of class rule, and forging consensus and a political culture around these projects.”[36]

Robinson and Harris identify the World Economic Forum as “the most comprehensive transnational planning body of the TCC and the quintessential example of a truly global network binding together the TCC in a transnational civil society.”[37] I would take issue with this, and instead propose the Bilderberg Group, of which they make no mention in their article, as THE quintessential transnational planning body of the TCC, as it is composed of the elite of the elite, totally removed from public scrutiny, and acts as “a secretive global think-tank” of the world’s 130 most powerful individuals.[38]

Many Bilderberg critics will claim that the group acts as a “secret world government” or as the organization “that makes all the key decisions for the world.” However, this is not the case. Bilderberg is simply the most influential planning body, sitting atop a grand hierarchy of various planning bodies and institutions, and is itself a key part of the apparatus of the formation of a Transnational State, but is not, in and of itself, a “world government.” It is a global think tank, which holds the concept of a “world government” in high regard and often works to achieve these ends, but it should not be confused with being the end it seeks.

The economic crisis is perhaps the greatest “opportunity” ever given to the TCC in re-shaping the world order according to their designs, ideals and goals. Through destruction, comes creation; and for these high-placed individuals within the TCC, destruction is itself a form of creation.

In terms of reshaping labour and class structures, the economic crisis provides the ground on which a new global class structure will be built. A major problem for the Transnational Capitalist Class and the formation of a Transnational State, or world government, is the lack of continuity in class structures and labour markets throughout the world. A transnational ruling class, or “Superclass” as David Rothkopf referred to it in his book of the same name (and is, himself, a member of the Superclass), has emerged. It has no borders, yet has built a general continuity and consensus of goals among its members, albeit there are differences and conflicts within the class, but they are based upon the means of achieving the stated ends, rather than on the ends itself. There is not dissent within the ruling class on the aims of achieving a world governing body; the dissent is in how to achieve this, and in terms of what kind of structure, theoretical and philosophical leanings, and political orientation such a government would have.

To achieve these ends, however, all classes must be transnationalized, not simply the ruling class. The ruling class is the first class to be transnationalized, because transnationalization was the goal of the ruling classes based in the powerful Western European nations, (and later in the United States), that started the process of transnationalization or internationalization. Now that there is an established “Superclass” of a transnational composition, the other classes must follow suit. The middle class is targeted for elimination in this sense, because most of the world has no middle class, and to fully integrate and internationalize a middle class, this would require industrialization and development in places such as Africa, and certain places in Asia and Latin America, and would represent a massive threat to the Superclass, as it would be a valve through which much of their wealth and power would escape them. Their goal is not to lose their wealth and power to a transnational middle class, but rather to extinguish the notion of a middle class, and transnationalize a lower, uneducated, labour oriented class, through which they will secure ultimate wealth and power.

The economic crisis serves these ends, as whatever remaining wealth the middle class holds is in the process of being eliminated, and as the crisis progresses, or rather, regresses, and accelerates, the middle classes of the world will suffer, while a great percentage of lower classes of the world, poverty-stricken even prior to the crisis, will suffer the greatest, most probably leading to a massive reduction in population levels, particularly in the “developed” or “Third World” states.

Many would take issue with such a thesis as being an objective of the Transnational Capitalist Class, as capitalism needs a large population, specifically a middle class population, in order to have a market of consumers for their products. Though this is true with how we presently understand the capitalist system and structure, we must also take note that capitalism, itself, is always changing and redefining itself. Through a social constructivist perspective, which I would argue, is very apt in this analysis, such a notion is not inconceivable, as if the capitalist class were to redefine capitalism itself, capitalism itself would change.

It must be addressed that there would be a great many individuals within the TCC or Superclass (Rothkopf estimates the number at 6,000 individuals within the ruling class), who would take issue with eliminating their base for profit making, however, as a total restructuring of the capitalist system and global political economy as a whole is undertaken, the TCC itself is not immune to such drastic and rapid changes itself. In fact, it would be unimaginable to think that it would remain as it currently is.

Rothkopf explains that with 6,000 members of the Superclass, that equals roughly one member of the superclass for every 1 million people in the world. As the composition, class structures, and numbers of the world population drastically alter over the next years and decades, so too will the superclass itself. It too, will be subject to a “cleansing” so to speak, in which the big players will collapse and consolidate many of the smaller players.

The Monetary Structure of a Global Government

A Global Currency

Following the April 2009 G20 Summit, leaders issued a communiqué which set the groundwork for the creation of a global currency to replace the US dollar as the world reserve currency. The communiqué stated that, “We have agreed to support a general SDR allocation which will inject \$250bn (£170bn) into the world economy and increase global liquidity.” SDRs, or Special Drawing Rights, are “a synthetic paper currency issued by the International Monetary Fund.” As the Telegraph reported, “the G20 leaders have activated the IMF’s power to create money and begin global “quantitative easing”. In doing so, they are putting a de facto world currency into play. It is outside the control of any sovereign body. Conspiracy theorists will love it.”[39]

In 1988, the Economist featured an article called “Get Ready for the Phoenix,” which said, “THIRTY years from now, Americans, Japanese, Europeans, and people in many other rich countries and some relatively poor ones will probably be paying for their shopping with the same currency. Prices will be quoted not in dollars, yen or D-marks but in, let's say, the phoenix. The phoenix will be favoured by companies and shoppers because it will be more convenient than today's national currencies, which by then will seem a quaint cause of much disruption to economic life in the late twentieth century.” The article, written in the wake of the 1987 stock market crash, stated that, “**Several more big exchange-rate upsets, a few more stockmarket crashes and probably a slump or two will be needed before politicians are willing to face squarely up to that choice.** This points to a muddled sequence of emergency followed by patch-up followed by emergency, stretching out far beyond 2018-except for two things. As time passes, the damage caused by currency instability is gradually going to mount; and the very trends that will make it mount are making the utopia of monetary union feasible.”[emphasis added][40]

Paul Volcker, former Governor of the Federal Reserve System, said in 2000, that, “If we are to have a truly global economy, a single world currency makes sense,” and a member of the Executive Board of the European Central Bank reaffirmed Volcker’s comment, stating that, “we might one day have a single world currency. Maybe European integration, in the same way as any other regional integration, could be seen as a step towards the ideal situation of a fully integrated world. If and when this world will see the light of day is impossible to say. However, what I can say is that this vision seems as impossible now to most of us as a European monetary union seemed 50 years ago, when the process of European integration started.”[41]

A Central Bank of the World

Jeffrey Garten has written several articles calling for the creation of a global central bank, or a “global fed.” Garten was former Dean of the Yale School of Management, former Undersecretary of Commerce for International Trade in the Clinton administration, previously served on the White House Council on International Economic Policy under the Nixon administration and on the policy planning staffs of Secretaries of State Henry Kissinger and Cyrus Vance of the Ford and Carter administrations, former Managing Director at Lehman Brothers, and is a member of the Council on Foreign Relations.

In 1998, he wrote an article for the New York Times stating that the world “needs a global central bank,” and that, “An independent central bank with responsibility for maintaining global financial stability is the only way out. No one else can do what is needed: inject more money into the system to spur growth, reduce the sky-high debts of emerging markets, and oversee the operations of shaky financial institutions. A global central bank could provide more money to the world economy when it is rapidly losing steam.”[42]

Following the outbreak of the current financial crisis, Garten wrote an article for the Financial Times in which he called for the “establishment of a Global Monetary Authority to oversee markets that have become borderless.”[43] In October of 2008, he wrote an article for Newsweek stating that, “leaders should begin laying the groundwork for establishing a global central bank.” He explained that, “There was a time when the U.S. Federal Reserve played this role [as governing financial authority of the world], as the prime financial institution of the world's most powerful economy, overseeing the one global currency. But with the growth of capital markets, the rise of currencies like the euro and the emergence of powerful players such as China, the shift of wealth to Asia and the Persian Gulf and, of course, the deep-seated problems in the American economy itself, the Fed no longer has the capability to lead single-handedly.”[44]

Regionalism

Building upon the model of the European Union, the world is being divided into large continental regional blocs, with regional monetary systems and governments. This will make up the managed blocs of a global government, and mark a significant process in the “hard road to world order,” as Richard N. Gardner called it, in which national sovereignty is eroded piece by piece. Regionalism marks the current phase of the move to the formation of a global government. Friedrich List critiqued liberal cosmopolitanism, stating that economic integration had never preceded political integration, however the elites have and are successfully challenging this notion. In the New World Order, economic integration is preceding political integration into a world governance structure.

The European Union began as a series of free trade agreements, became a monetary union, and is in the process of being formed into a single continental superstate. North American integration began with a series of free trade agreements, defense and security agreements, and is in the process of moving towards monetary and bureaucratic integration into a North American Community. A Union and North American superstate are not far in the distance. A North American currency is openly discussed and proposed by leading think tanks, billionaire investors, as well as the Governor of the Bank of Canada. The likely name of such a currency is the Amero.[45]

Meanwhile, globally, markets are heavily integrating. In 2007, it was reported that the European Union and the United States were beginning the process of transatlantic economic integration.[46] In 2008, it was announced that, “Canadian and European officials say they plan to begin negotiating a massive agreement to integrate Canada’s economy with the 27 nations of the European Union,” under “deep economic integration negotiations,” and “The proposed pact would far exceed the scope of older agreements such as NAFTA.”[47] This, essentially, is a means of integrating with the North American Community before the Community is officially formed; an act of pre-emptive integration.

In 2007, the Council on Foreign Relations journal, *Foreign Affairs*, ran an article titled, "The End of National Currency." Discussing the volatility of national currencies, the article stated that, "The right course is not to return to a mythical past of monetary sovereignty, with governments controlling local interest and exchange rates in blissful ignorance of the rest of the world. Governments must let go of the fatal notion that nationhood requires them to make and control the money used in their territory. National currencies and global markets simply do not mix; together they make a deadly brew of currency crises and geopolitical tension and create ready pretexts for damaging protectionism. In order to globalize safely, countries should abandon monetary nationalism and abolish unwanted currencies, the source of much of today's instability."

Further, "Monetary nationalism is simply incompatible with globalization. It has always been, even if this has only become apparent since the 1970s, when all the world's governments rendered their currencies intrinsically worthless." The author states that, "Since economic development outside the process of globalization is no longer possible, countries should abandon monetary nationalism. Governments should replace national currencies with the dollar or the euro or, in the case of Asia, collaborate to produce a new multinational currency over a comparably large and economically diversified area." [48]

In 2008, the Union of South American Nations (UNASUR) was formed, "a regional body aimed at boosting economic and political integration in the region," [49] which will "seek a common currency as part of the region's integration efforts," as well as a common central bank. [50]

The Gulf Cooperation Council, a regional bloc of Arab Middle Eastern governments, is pursuing economic integration in the form of a common central bank and a common currency. [51] Similarly, there has been much discussion of an Asian Monetary Union and East Asian economic integration, specifically being touted as a solution to the prevention of future economic crises in East Asia like that which hit it in 1997. [52] Integration would be modeled upon the East Asian regional block of ASEAN (Association of Southeast Asian Nations), and in 2008, "ASEAN bank deputy governors and financial deputy ministers have met in Vietnam's central Da Nang city, discussing issues on the financial and monetary integration and cooperation in the region." [53] Further, Africa is being organized as a regional bloc under the African Union, and is also pursuing regional economic integration, and has even set the agenda for the creation of a continental African central bank and the formation of a single African currency. [54]

In 2006, the Bank for International Settlements "suggested ditching many national currencies in favour of a small number of formal currency blocks based on the dollar, euro and renminbi or yen." [55]

Constructing the Political Structure of a Global Government

Strobe Talbott, Deputy Secretary of State in the Clinton administration from 1994 to 2001, is also a member of the Council on Foreign Relations and the Trilateral Commission and is currently President of the Brookings Institution, a prominent US think tank. In 1992, before becoming Deputy Secretary of State, he wrote an article for *Time Magazine* originally titled, "The Birth of the Global Nation," which has now, in the *Time Magazine* archives, been renamed "America Abroad." In the article, he states that within the next 100 years, "nationhood as we know it will be obsolete; all states will recognize a single, global authority. A phrase briefly fashionable in the mid-20th century -- "citizen of the world" -- will have assumed real meaning by the end of the 21st."

Interestingly, Talbott endorses the social constructivist perspective of nation-states and international order, stating that, "All countries are basically social arrangements, accommodations to changing circumstances. No matter how permanent and even sacred they may seem at any one time, in fact they are all artificial and temporary. Through the ages, there has been an overall trend toward larger units claiming

sovereignty and, paradoxically, a gradual diminution of how much true sovereignty any one country actually has.”

He explained that empires “were a powerful force for obliterating natural and demographic barriers and forging connections among far-flung parts of the world,” and following that, “Empire eventually yielded to the nation-state,” and that, “The main goal driving the process of political expansion and consolidation was conquest. The big absorbed the small, the strong the weak. National might made international right. Such a world was in a more or less constant state of war.” Talbott states that, “perhaps national sovereignty wasn't such a great idea after all.”

He continued, saying that, “it has taken the events in our own wondrous and terrible century to clinch the case for world government. With the advent of electricity, radio and air travel, the planet has become smaller than ever, its commercial life freer, its nations more interdependent and its conflicts bloodier.” Further, “Each world war inspired the creation of an international organization, the League of Nations in the 1920s and the United Nations in the '40s.” He explained, “The plot thickened with the heavy-breathing arrival on the scene of a new species of ideology -- expansionist totalitarianism -- as perpetrated by the Nazis and the Soviets. It threatened the very idea of democracy and divided the world. [Thus] The advocacy of any kind of world government became highly suspect.” However, as Talbott points out, Soviet expansion led the way for NATO expansion, and “The cold war also saw the European Community pioneer the kind of regional cohesion that may pave the way for globalism.”

On top of that, “the free world formed multilateral financial institutions that depend on member states' willingness to give up a degree of sovereignty. The International Monetary Fund can virtually dictate fiscal policies, even including how much tax a government should levy on its citizens. The General Agreement on Tariffs and Trade regulates how much duty a nation can charge on imports. These organizations can be seen as the protoministries of trade, finance and development for a united world.” In addressing crises, Talbott wrote that, “Globalization has also contributed to the spread of terrorism, drug trafficking, AIDS and environmental degradation. But because those threats are more than any one nation can cope with on its own, they constitute an incentive for international cooperation.” Thus, out of crisis, comes opportunity; out of chaos comes order.

In prescribing a solution, Talbott postulates that, “The best mechanism for democracy, whether at the level of the multinational state or that of the planet as a whole, is not an all-powerful Leviathan or centralized superstate, but a federation, a union of separate states that allocate certain powers to a central government while retaining many others for themselves.”[56]

In a 1974 issue of *Foreign Affairs*, Richard N. Gardner wrote about the formation of the New World Order. Gardner, a former American ambassador to the United Nations, Italy and Spain, is also a member of the Trilateral Commission. In his article, *The Hard Road to World Order*, Gardner wrote that, “The quest for a world structure that secures peace, advances human rights and provides the conditions for economic progress—for what is loosely called world order—has never seemed more frustrating but at the same time strangely hopeful.”[57] He explained that, “few people retain much confidence in the more ambitious strategies for world order that had wide backing a generation ago—‘world federalism,’ ‘charter review,’ and ‘world peace through world law’.” Further, “The same considerations suggest the doubtful utility of holding a [UN] Charter review conference.”[58]

Gardner wrote, “If instant world government, Charter review, and a greatly strengthened International Court do not provide the answers, what hope for progress is there? The answer will not satisfy those who seek simple solutions to complex problems, but it comes down essentially to this: The hope for the foreseeable future lies, not in building up a few ambitious central institutions of universal membership and general jurisdiction as was envisaged at the end of the last war, but rather in the much more

decentralized, disorderly and pragmatic process of inventing or adapting institutions of limited jurisdiction and selected membership to deal with specific problems on a case-by-case basis, as the necessity for cooperation is perceived by the relevant nations.”

He then stated, “In short, the "house of world order" will have to be built from the bottom up rather than from the top down. It will look like a great "booming, buzzing confusion," to use William James' famous description of reality, but an end run around national sovereignty, eroding it piece by piece, will accomplish much more than the old-fashioned frontal assault.”[59]

In the 2001 issue of *Foreign Affairs*, Richard Falk and Andrew Strauss wrote an article titled, “Toward Global Parliament.” They wrote that, “International governance is no longer limited to such traditional fare as defining international borders, protecting diplomats, and proscribing the use of force. Many issues of global policy that directly affect citizens are now being shaped by the international system. Workers can lose their jobs as a result of decisions made at the WTO or within regional trade regimes.”[60] In 2006, a UN report stated that, “the nation-state is an old-fashioned concept that has no role to play in a modern globalised world.”[61]

Further, “As with citizen groups, elite business participation in the international system is becoming institutionalized. The best example is the World Economic Forum in Davos, Switzerland. In the 1980s, the WEF transformed itself from an organization devoted to humdrum management issues into a dynamic political forum. Once a year, a thousand of the world's most powerful business executives get together with another thousand of the world's senior policymakers to participate in a week of roundtables and presentations. The WEF also provides ongoing arenas for discussion and recommendations on shaping global policy.” They continue in explaining that, “The Davos assembly and overlapping networks of corporate elites, such as the International Chamber of Commerce, have been successful in shaping compatible global policies. Their success has come in the expansion of international trade regimes, the modest regulation of capital markets, the dominance of neoliberal market philosophy, and the supportive collaboration of most governments, especially those of rich countries.”[62]

In explaining the purpose of a global parliament, essentially to address the “democratic deficit” created by international organizations, the authors wrote that, “Some business leaders would certainly oppose a global parliament because it would broaden popular decision-making and likely press for transnational regulations. But others are coming to believe that the democratic deficit must be closed by some sort of stakeholder accommodation. After all, many members of the managerial class who were initially hostile to such reform came to realize that the New Deal—or its social-democratic equivalent in Europe—was necessary to save capitalism. Many business leaders today similarly agree that democratization is necessary to make globalization politically acceptable throughout the world.” Essentially, its purpose would be to give globalization “grassroots acceptance and legitimacy.”[63]

David Rothkopf, a scholar at the Carnegie Endowment for International Peace, former Deputy Undersecretary of Commerce for International Trade in the Clinton administration, former managing director of Kissinger and Associates, and a member of the Council on Foreign Relations, recently wrote a book titled, *Superclass: The Global Power Elite and the World They are Making*. As a member of that “superclass,” his writing should provide a necessary insight into the construction of this “New World Order.” He states that, “In a world of global movements and threats that don't present their passports at national borders, it is no longer possible for a nation-state acting alone to fulfill its portion of the social contract.” He wrote that, “progress will continue to be made,” however, it will be challenging, because it “undercuts many national and local power structures and cultural concepts that have foundations deep in the bedrock of human civilization, namely the notion of sovereignty.” He further wrote that, “Mechanisms of global governance are more achievable in today's environment,” and that these

mechanisms “are often creative with temporary solutions to urgent problems that cannot wait for the world to embrace a bigger and more controversial idea like real global government.”[64]

Jacques Attali, founder and former President of the European Bank for Reconstruction and Development, and economic adviser to French President Nicholas Sarkozy, interviewed on EuroNews, said that, “either we’re heading towards a world government or we’re going to put national issues first.” The interviewer stated that the idea of world government will frighten many people, to which Attali responded, “Indeed, that’s only to be expected, because it seems like a fantasy. But there is already global authority in many areas,” and that, “even if it’s hard to think of a European government at the moment, which is there, but very weak, Europe can at least press on its experience to the world. If they’re not capable of creating an economic framework along side a political framework, then they’re never going to do it on a global scale. And then the world economic model will break up, and we’ll be back to the Great Depression.”[65]

In December of 2008, the Financial Times published an article titled, “And Now for A World Government,” in which the author, former Bilderberg attendee, Gideon Rachman, wrote that, “for the first time in my life, I think the formation of some sort of world government is plausible,” and that, “A ‘world government’ would involve much more than co-operation between nations. It would be an entity with state-like characteristics, backed by a body of laws. The European Union has already set up a continental government for 27 countries, which could be a model. The EU has a supreme court, a currency, thousands of pages of law, a large civil service and the ability to deploy military force.”

He stated that, “it is increasingly clear that the most difficult issues facing national governments are international in nature: there is global warming, a global financial crisis and a ‘global war on terror’.” He wrote that the European model could “go global” and that a world government “could be done,” as “The financial crisis and climate change are pushing national governments towards global solutions, even in countries such as China and the US that are traditionally fierce guardians of national sovereignty.” He quoted an adviser to French President Nicolas Sarkozy as saying, “Global governance is just a euphemism for global government,” and that the “core of the international financial crisis is that we have global financial markets and no global rule of law.” However, Rachman states that any push towards a global government “will be a painful, slow process.” He then states that a key problem in this push can be explained with an example from the EU, which “has suffered a series of humiliating defeats in referendums, when plans for ‘ever closer union’ have been referred to the voters. In general, the Union has progressed fastest when far-reaching deals have been agreed by technocrats and politicians – and then pushed through without direct reference to the voters. ***International governance tends to be effective, only when it is anti-democratic.*** [Emphasis added]”[66]

In November of 2008, the United States National Intelligence Council (NIC), the US intelligence community’s “center for midterm and long-term strategic thinking,” released a report that it produced in collaboration with numerous think tanks, consulting firms, academic institutions and hundreds of other experts, among them are the Atlantic Council of the United States, the Wilson Center, RAND Corporation, the Brookings Institution, American Enterprise Institute, Texas A&M University, the Council on Foreign Relations and Chatham House in London.[67]

Outlining the global trends that the world will be going through up to the year 2025, the report states that the financial crisis “will require long-term efforts to establish a new international system.” It suggests that as the “China-model” for development becomes increasingly attractive, there may be a “decline in democratization” for emerging economies, authoritarian regimes, and “weak democracies frustrated by years of economic underperformance.” Further, the dollar will cease to be the global reserve currency, as there would likely be a “move away from the dollar.”[68]

Further, the dollar will become “something of a first among equals in a basket of currencies by 2025. This

could occur suddenly in the wake of a crisis, or gradually with global rebalancing.”[69] The report elaborates on the construction of a new international system, stating that, “By 2025, nation-states will no longer be the only – and often not the most important – actors on the world stage and the ‘international system’ will have morphed to accommodate the new reality. But the transformation will be incomplete and uneven.” Further, it would be “unlikely to see an overarching, comprehensive, unitary approach to global governance. Current trends suggest that global governance in 2025 will be a patchwork of overlapping, often ad hoc and fragmented efforts, with shifting coalitions of member nations, international organizations, social movements, NGOs, philanthropic foundations, and companies.” It also notes that, “Most of the pressing transnational problems – including climate change, regulation of globalized financial markets, migration, failing states, crime networks, etc. – are unlikely to be effectively resolved by the actions of individual nation-states. The need for effective global governance will increase faster than existing mechanisms can respond.”[70]

The report discusses regionalism, and stated that, “Asian regionalism would have global implications, possibly sparking or reinforcing a trend toward three trade and financial clusters that could become quasi-blocs (North America, Europe, and East Asia).” These blocs “would have implications for the ability to achieve future global World Trade Organization agreements and regional clusters could compete in the setting of trans-regional product standards for IT, biotech, nanotech, intellectual property rights, and other ‘new economy’ products.”[71]

In discussing democracy and democratization, the report stated that, “advances are likely to slow and globalization will subject many recently democratized countries to increasing social and economic pressures that could undermine liberal institutions.” This is largely because “the better economic performance of many authoritarian governments could sow doubts among some about democracy as the best form of government. The surveys we consulted indicated that many East Asians put greater emphasis on good management, including increasing standards of livings, than democracy.” Further, “even in many well-established democracies, surveys show growing frustration with the current workings of democratic government and questioning among elites over the ability of democratic governments to take the bold actions necessary to deal rapidly and effectively with the growing number of transnational challenges.”[72] In other words, “well established democracies,” such as those in Western Europe and North America, will, through successive crises (climate, finance, war), erode and replace their democratic systems of government with totalitarian structures that are able to “take the bold actions necessary” to deal with “transnational challenges.”

David Rockefeller wrote in his book, *Memoirs*, that, “For more than a century ideological extremists at either end of the political spectrum have seized upon well-publicized incidents such as my encounter with Castro to attack the Rockefeller family for the inordinate influence they claim we wield over American political and economic institutions. Some even believe we are part of a secret cabal working against the best interests of the United States, characterizing my family and me as ‘internationalists’ and of conspiring with others around the world to build a more integrated global political and economic structure--one world, if you will. *If that's the charge, I stand guilty, and I am proud of it.*” (Empahsis added) [73]

The Global Economic Crisis in Context

The current global economic crisis has its roots not in the Bush administration, which is linear and diluted thinking at best, but in the systematic nature of the global capitalist system. Crisis is not separate from capital; crisis is capitalist expansion. In addressing the foundations of the economic crisis, neo-Marxist theory can help explain much of the actions and functions that led to the crisis.

In 2006, Walden Bello wrote an article for *Third World Quarterly*, in which he explained that, “The crisis

of globalisation and over-accumulation is one of the three central crises that are currently eroding US hegemony. The other two are the over-extension of US military power and the crisis of legitimacy of liberal democracy.” He explained that, “Monetary manipulation, via the high interest rate regime initiated by Federal Reserve Chief Paul Volcker in the late 1980s, while directed at fighting inflation, was also geared strategically at channeling global savings to the USA to fuel economic expansion. One key consequence of this momentous move was the Third World debt crisis of the early 1980s, which ended the boom of the economies of the South and led to their resubordination to the Northern capitalist centres.”[74]

The economic foundations of the current crisis were laid in the “Clinton globalist project.” As Bello explained, “The administration embraced globalisation as its ‘Grand Strategy’—that is, its fundamental foreign policy posture towards the world.” Further, “The dominant position of the USA allowed the liberal faction of the US capitalist class to act as a leading edge of a transnational ruling elite in the process of formation—a transnational elite alliance that could act to promote the comprehensive interest of the international capitalist class.”[75]

Bello then explained that, “the dominant dynamic of global capitalism during the Clinton period—one that was the source of its strength as well as its Achilles’ Heel—was not the movement of productive capital but the gyrations of finance capital.” The dominance of finance capital was “a result of the declining profitability of industry brought about by the crisis of overproduction. By 1997 profits in US industry had stopped growing. Financial speculation, or what one might conceptualise as the squeezing of value from already created value, became the most dynamic source of profitability.” This was termed “financialization,” and it had many components that composed its structure and led way for its dominance. Among these were the “Elimination of restrictions dating back to the 1930s that had created a Chinese Wall between investment banking and commercial banking in the USA opened up a new era of rapid consolidation in the US financial sector.”[76]

Specifically, this is in reference to the repealing of the Glass-Steagall Act, put in place in 1933 in response to the actions that created the Great Depression, which undertook banking reforms, specifically those designed to limit speculation. In 1987, the Federal Reserve Board voted to ease regulations under Glass-Steagall, after hearing “proposals from Citicorp, J.P. Morgan and Bankers Trust advocating the loosening of Glass-Steagall restrictions to allow banks to handle several underwriting businesses, including commercial paper, municipal revenue bonds, and mortgage-backed securities.” And, “In August 1987, Alan Greenspan -- formerly a director of J.P. Morgan and a proponent of banking deregulation – [became] chairman of the Federal Reserve Board.” In 1989, “the Fed Board approve[d] an application by J.P. Morgan, Chase Manhattan, Bankers Trust, and Citicorp to expand the Glass-Steagall loophole to include dealing in debt and equity securities in addition to municipal securities and commercial paper.” In 1990, “J.P. Morgan [became] the first bank to receive permission from the Federal Reserve to underwrite securities.”

In 1998, the House of Representatives passed “legislation by a vote of 214 to 213 that allow[ed] for the merging of banks, securities firms, and insurance companies into huge financial conglomerates.” And in 1999, “After 12 attempts in 25 years, Congress finally repeal[ed] Glass-Steagall, rewarding financial companies for more than 20 years and \$300 million worth of lobbying efforts.”[77]

It was in “the late 1990s, with the stock market surging to unimaginable heights, large banks merging with and swallowing up smaller banks, and a huge increase in banks having transnational branches, Wall Street and its many friends in congress wanted to eliminate the regulations that had been intended to protect investors and stabilize the financial system. Hence the Gramm-Leach-Bliley Act of 1999 repealed key parts of Glass-Steagall and the Bank Holding Act and allowed commercial and investment banks to merge, to offer home mortgage loans, sell securities and stocks, and offer insurance.”[78]

One of the architects of the repeal of Glass-Steagall was Clinton Treasury Secretary Robert Rubin. Rubin spent 26 years with Goldman Sachs before entering the Treasury. Robert Rubin worked closely with Alan Greenspan to oppose the regulation of derivatives, and was backed up by his Deputy Treasury Secretary, Lawrence Summers. Rubin, upon leaving the Treasury, went to work as an executive with Citigroup.[79] Robert Rubin is currently the Co-Chairman of the Council on Foreign Relations. Lawrence Summers was a former Chief Economist for the World Bank before being Deputy Treasury Secretary in the Clinton administration. He then became President of Harvard University, and is now Director of the White House National Economic Council in the Obama administration. The current Treasury Secretary, Timothy Geithner, was former President of the Federal Reserve Bank of New York, and is also a Robert Rubin protégé.

The Clinton years saw the rise of derivatives, which are financial instruments (or contracts), the prices of which are derived from one or more underlying assets, indexes, or other items. The value of a derivative changes as the value of the underlying asset changes. They are used to hedge risks but also as instruments of speculation. Derivatives, “which monetised and traded risk in the exchange of a whole range of commodities,” are a key factor that led to the economic crisis.

Another cause of the crisis was “The creation of massive consumer credit to fuel consumption, with much of the source of this capital coming from foreign investors,” which “created a dangerous gap between the consumers’ debt and their income, opening up the possibility of consumer collapse or default that would carry away both consumers and their creditors.” Further, the stock market’s role in driving growth played a part in paving the way for a financial crisis. “Stock market activity drove, in particular, the so-called technology sector, creating a condition of ‘virtual capitalism’ whose dynamics were based on the expectation of future profitability rather than on current performance, which was the iron rule in the ‘real economy’.”[80]

The Federal Reserve, under Alan Greenspan, initially created the dot-com bubble, providing liquidity for speculation into the stock market and “virtual capitalism,”[81] and when that dot-com bubble burst, as all bubbles do, Greenspan and the Fed created the housing bubble by cutting interests rates and offering more Adjustable Rate Mortgages (AMRs), with Fannie Mae and Freddie Mac encouraging banks to make the high-risk loans.[82]

Speculation had proven itself to be a powerful weapon of finance capital. In the 1990s, this was first exemplified by “a speculative attack on the peso that had investors in panic cashing their pesos for dollars, leading to the devaluation and collapse of the Mexican economy in 1994,” and later in “East Asia in 1997. One hundred billion dollars in speculative capital flooded into the region between 1994 and 1997 as countries liberalised their capital accounts.” This speculative money flowed into real estate and the stock market, which resulted in over-investment, and “Smelling crisis in the air, hedge funds and other speculators targeted the Thai baht, Korean won and other currencies, triggering a massive financial panic that led to the drastic devaluation of these currencies and laid low Asia’s tiger economies. In a few short weeks in the summer of 1997 some \$100 billion rushed out of the Asian economies, leading to a drastic reversal of the sizzling growth that had marked those economies in the preceding decade. In less than a month, some 21 million Indonesians and one million Thais found themselves thrust under the poverty line.”[83] This was known as the East Asian Financial Crisis.

This crisis “helped precipitate the Russian financial crisis in 1998, as well as financial troubles in Brazil and Argentina that contributed to the spectacular unraveling of Argentina’s economy in 2001 and 2002, when the economy that had distinguished itself as the most faithful follower of the IMF’s prescriptions of trade and financial liberalisation found itself forced to declare a default on \$100 billion of its \$140 billion external debt.”[84]

The current crisis is not over. The parallels between the current crisis and the Great Depression are frightening. This trend of building speculative bubbles is reminiscent of the 1920s stock market speculation-driven bubble; built by the Federal Reserve, which eased interest rates, provided liquidity to the banks and actively encouraged speculation. Bubbles that were created then burst.

In 1932, Congressman Louis T. McFadden stated before the Congress that the Federal Reserve banks are not government agencies, but “are private credit monopolies which prey upon the people of the United States for the benefit of themselves and their foreign customers; foreign and domestic speculators and swindlers; and rich and predatory money lenders.”[85] Following the creation of the Fed in 1913, Congressman Charles A. Lindbergh said, “From now on, depressions will be scientifically created.” Indeed, he was right. The current crisis, likely leading to a Great Depression, is being used as the primary means through which a global government is being constructed.

In 2007, UK Prime Minister Gordon Brown called for a new world order in reforming the UN, World Bank, IMF and G7.[86] When the bank Bear Stearns collapsed, due to its heavy participation in the mortgage securities market, the Federal Reserve purchased the bank for JP Morgan Chase, whose CEO sits on the board of the New York Federal Reserve Bank. Shortly after this action, a major financial firm released a report saying that banks face a “new world order” of “consolidation and acquisitions.”[87]

In October of 2008, Gordon Brown said that we “must have a new Bretton Woods - building a new international financial architecture for the years ahead.” He continued in saying that, “we must now reform the international financial system around the agreed principles of transparency, integrity, responsibility, good housekeeping and co-operation across borders.” An article in the Telegraph reported that Gordon Brown would want “to see the IMF reformed to become a ‘global central bank’ closely monitoring the international economy and financial system.”[88] In an op-ed for the Washington Post, Gordon Brown wrote that the “new Bretton Woods” should build upon the concept of “global governance.”[89] There were also calls for a “global economic policeman,” perhaps in the form of the Bank for International Settlements (BIS).[90] In November of 2008, it was reported that Baron David de Rothschild “shares most people’s view that there is a new world order. In his opinion, banks will deleverage and there will be a new form of global governance.”[91]

Out of the ashes of the financial crisis, a new world order will emerge in constructing a global government.

Global War and Dying Democracy: The Revolution of the Elites Global Power and Global Government: Part 5

Transnational Totalitarianism

Global trends in political economy suggest that “democracy” as we know it, is a fading concept, where even Western industrialized nations are retreating from the system. Arguably, through party politics and financial-corporate interests, democracy is something of a façade as it is. However, we are entering into an era in which even the institutions and image of democracy are in retreat, and the slide into totalitarianism seems inevitable.

The National Intelligence Council report, Global Trends 2025, stated that many governments will be “expanding domestic security forces, surveillance capabilities, and the employment of special operations-type forces.” Counterterrorism measures will increasingly “involve urban operations as a

result of greater urbanization,” and governments “may increasingly erect barricades and fences around their territories to inhibit access. Gated communities will continue to spring up within many societies as elites seek to insulate themselves from domestic threats.”[1] Essentially, expect a continued move towards and internationalization of domestic police state measures to control populations.

The nature of totalitarianism is such that it is, “by nature (or rather by definition), a global project that cannot be fully accomplished in just one community or one country. Being fuelled by the need to suppress any alternative orders and ideas, it has no natural limits and is bound to aim at totally dominating everything and everyone.” David Lyon explained in *Theorizing Surveillance*, that, “The ultimate feature of the totalitarian domination is the absence of exit, which can be achieved temporarily by closing borders, but permanently only by a truly global reach that would render the very notion of exit meaningless. This in itself justifies questions about the totalitarian potential of globalization.” The author raises the important question, “Is abolition of borders intrinsically (morally) good, because they symbolize barriers that needlessly separate and exclude people, or are they potential lines of resistance, refuge and difference that may save us from the totalitarian abyss?” Further, “if globalization undermines the tested, state-based models of democracy, the world may be vulnerable to a global totalitarian etatization.”[2]

Russia Today, a major Russian media source, published an article by the Strategic Cultural Fund, in which it stated that, “the current crisis is being used as a mechanism for provoking some deepening social upheavals that would make mankind – plunged as it is already into chaos and frightened by the ghost of an all-out violence – urge of its own free will that a ‘supranational’ arbitrator with dictatorial powers intervene into the world affairs.” The author pointed out that, “The events are following the same path as the Great Depression in 1929-1933: a financial crisis, an economic recession, social conflicts, establishing totalitarian dictatorships, inciting a war to concentrate power, and capital in the hands of a narrow circle.” However, as the author noted, this time around, it’s different, as this “is the final stage in the ‘global control’ strategy, where a decisive blow should be dealt to the national state sovereignty institution, followed by a transition to a system of private power of transnational elites.”

The author explained that a global police state is forming, as “Intelligence activities, trade of war, penitentiary system, and information control are passing into private hands. This is done through so-called outsourcing, a relatively new business phenomenon that consists of trusting certain functions to private firms that act as contractors and relying on individuals outside an organization to solve its internal tasks.” Further, “the biggest achievements have been made over the last few years in the area of establishing electronic control over people’s identities, carried out under the pretext of counterterrorism. Currently, the FBI is creating the world’s biggest database of biometric indexes (fingerprints, retina scans, face shapes, scar shapes and allocation, speech and gesture patterns, etc.) that now contains 55 million fingerprints.”[3]

Global War

Further, the prospects of war are increasing with the deepening of the economic crisis. It must be noted that historically, as empires are in decline, international violence increases. The scope of a global depression and the undertaking of restructuring the entire global political economy may also require and produce a global war to serve as a catalyst for formation of the New World Order.

The National Intelligence Council document, *Global Trends 2025*, stated that there is a likely increase in the risk of a nuclear war, or in the very least, the use of a nuclear weapon by 2025, as, “Ongoing low-

intensity clashes between India and Pakistan continue to raise the specter that such events could escalate to a broader conflict between those nuclear powers.”[4]

The report also predicts a resurgence of mercantilist foreign policies of the great powers in competition for resources, which “could lead to interstate conflicts if government leaders deem assured access to energy resources to be essential to maintaining domestic stability and the survival of their regime.” In particular, “Central Asia has become an area of intense international competition for access to energy.”[5]

Further, “Sub-Saharan Africa will remain the most vulnerable region on Earth in terms of economic challenges, population stresses, civil conflict, and political instability. The weakness of states and troubled relations between states and societies probably will slow major improvements in the region’s prospects over the next 20 years unless there is sustained international engagement and, at times, intervention. Southern Africa will continue to be the most stable and promising sub-region politically and economically.” This seems to suggest that there will be many more cases of “humanitarian intervention,” likely under the auspices of a Western dominated international organization, such as the UN. There will also be a democratic “backslide” in the most populous African countries, and that, “the region will be vulnerable to civil conflict and complex forms of interstate conflict—with militaries fragmented along ethnic or other divides, limited control of border areas, and insurgents and criminal groups preying on unarmed civilians in neighboring countries. Central Africa contains the most troubling of these cases, including Congo-Kinshasa, Congo-Brazzaville, Central African Republic, and Chad.”[6]

In 2007, the British Defense Ministry released a report in which they analyzed future trends in the world. Among many of the things predicted within 30 years are: “Information chips implanted in the brain. Electromagnetic pulse weapons. The middle classes becoming revolutionary, taking on the role of Marx’s proletariat. The population of countries in the Middle East increasing by 132%, while Europe’s drops as fertility falls. ‘Flashmobs’ - groups rapidly mobilised by criminal gangs or terrorists groups.”

It further reported that, “The development of neutron weapons which destroy living organisms but not buildings ‘might make a weapon of choice for extreme ethnic cleansing in an increasingly populated world’. The use of unmanned weapons platforms would enable the ‘application of lethal force without human intervention, raising consequential legal and ethical issues’. The ‘explicit use’ of chemical, biological, radiological, and nuclear weapons and devices delivered by unmanned vehicles or missiles.” Further, “an implantable ‘information chip’ could be wired directly to the brain. A growing pervasiveness of information communications technology will enable states, terrorists or criminals, to mobilise ‘flashmobs’, challenging security forces to match this potential agility coupled with an ability to concentrate forces quickly in a small area.”

In regards to social problems, “The middle classes could become a revolutionary class, taking the role envisaged for the proletariat by Marx.” Interestingly, “The thesis is based on a growing gap between the middle classes and the super-rich on one hand and an urban under-class threatening social order: ‘The world’s middle classes might unite, using access to knowledge, resources and skills to shape transnational processes in their own class interest’. Marxism could also be revived, it says, because of global inequality. An increased trend towards moral relativism and pragmatic values will encourage people to seek the ‘sanctuary provided by more rigid belief systems, including religious orthodoxy and doctrinaire political ideologies, such as popularism and Marxism’.”

The report also forecasts that, “Globalisation may lead to levels of international integration that

effectively bring inter-state warfare to an end. But it may lead to "inter-communal conflict" - communities with shared interests transcending national boundaries and resorting to the use of violence." [7]

RAND corporation, a Pentagon-linked powerhouse think tank, connected to the Bldenberg Group, Trilateral Commission and Council on Foreign Relations, came up with a solution to the financial crisis in October of 2008: for the United States to start a major war. Chinese media reported that RAND "presented a shocking proposal to the Pentagon in which it lobbied for a war to be started with a major foreign power in an attempt to stimulate the American economy and prevent a recession." Further, "the target country would have to be a major influential power," and Chinese media "speculated that the target of the new war would probably be China or Russia, but that it could also be Iran or another middle eastern country." [8]

Gerald Celente, the CEO of Trends Research Institute, the most highly respected trend forecaster in the United States, has been sounding the alarm over the trends to come in the next few years. Having previously predicted the 1987 stock market crash, the fall of the Soviet Union, the dot-com bubble burst, and the 2008 housing bubble burst, these forecasts should not be taken lightly.

Celente told Fox News that, "by 2012 America will become an undeveloped nation, that there will be a revolution marked by food riots, squatter rebellions, tax revolts and job marches, and that holidays will be more about obtaining food, not gifts." He stated that this will be "worse than the great depression." In another interview, Celente stated that, "There will be a revolution in this country," and, "It's not going to come yet, but it's going to come down the line and we're going to see a third party and this was the catalyst for it: the takeover of Washington, D. C., in broad daylight by Wall Street in this bloodless coup. And it will happen as conditions continue to worsen." He further explained, "The first thing to do is organize with tax revolts. That's going to be the big one because people can't afford to pay more school tax, property tax, any kind of tax. You're going to start seeing those kinds of protests start to develop." [9]

In June of 2009, Gerald Celente reported that, "The measures taken by successive governments to save the politically corrupt, morally bankrupt, physically decrepit [American] giant from collapse have served to only hasten its demise. While the decline has been decades in the making, the acceleration of ruinous policies under the current Administration is leading the United States — and much of the world — to the point of no return." This coming catastrophe, which Celente refers to as "Obamageddon," will become the "Greatest Depression." [10]

In May of 2009, Celente forecasted that a major issue is the "bailout bubble" which is bigger than the dot-com bubble or the real estate bubble that preceded it, and is made up of 12.8 trillion dollars. He states that with the bursting of this bubble, the next trend would be what he calls "fascism light" and that it will be followed by war. [11] He stated that, "this bubble will be the last one. After the final blowout of the bailout bubble, we are concerned that the government will take the nation into war. This is a historical precedent that's been done over and over again." He elaborated, "So, it's not the dollar that will survive. We may not even survive. Look at the German mess after WWI. It gave rise to Fascism and WWII. The next war will be fought with weapons of mass destruction." [12]

The Imperial Project

War should not be understood as a recent phenomenon in regards to accelerating capitalism through expansion and transition, as this has been a continual theme throughout the history of capitalism. The notion of “surplus imperialism” is what describes the function and role of war and militarism within capitalism. The concept is built around the function of “constant war.”

Ellen Wood explains the notion of ‘surplus imperialism,’ in that, “Boundless domination of a global economy, and of the multiple states that administer it, requires military action without end, in purpose or time.”[13] Further, “Imperial dominance in a global capitalist economy requires a delicate and contradictory balance between suppressing competition and maintaining conditions in competing economies that generate markets and profit. This is one of the most fundamental contradictions of the new world order.”[14]

Shortly after George Bush Sr. declared a “new world order coming into view,” in 1991, the US strategic community began setting forth a new strategy for the United States in the world. This first emerged in 1992, with the Defense Planning Guidance. The New York Times broke the story, reporting that, “In a broad new policy statement that is in its final drafting phase, the Defense Department asserts that America’s political and military mission in the post-cold-war era will be to ensure that no rival superpower is allowed to emerge in Western Europe, Asia or the territories of the former Soviet Union,” and that, “The classified document makes the case for a world dominated by one superpower whose position can be perpetuated by constructive behavior and sufficient military might to deter any nation or group of nations from challenging American primacy.”

The main figure that drafted this policy was the Pentagon’s Under Secretary for Policy Paul Wolfowitz, who would later become Deputy Secretary of Defense in the George W. Bush administration, as well as President of the World Bank. Wolfowitz is also a member of the Bilderberg Group, the Trilateral Commission, the Council on Foreign Relations, and is currently a scholar at the American Enterprise Institute, a neo-conservative think tank.

The document places emphasis “on using military force, if necessary, to prevent the proliferation of nuclear weapons and other weapons of mass destruction in such countries as North Korea, Iraq, some of the successor republics to the Soviet Union and in Europe,” and that, “What is most important, it says, is ‘the sense that the world order is ultimately backed by the U.S.’ and ‘the United States should be postured to act independently when collective action cannot be orchestrated’ or in a crisis that demands quick response.” Further, “the new draft sketches a world in which there is one dominant military power whose leaders ‘must maintain the mechanisms for deterring potential competitors from even aspiring to a larger regional or global role’.” Among the necessary challenges to American supremacy, the document “postulated regional wars against Iraq and North Korea,” and identified China and Russia as its major threats. It further “suggests that the United States could also consider extending to Eastern and Central European nations security commitments similar to those extended to Saudi Arabia, Kuwait and other Arab states along the Persian Gulf.”[15] The Secretary of Defense at the time of this document’s writing was none other than Dick Cheney.

When George Bush Sr. was replaced by Bill Clinton in 1993, the neo-conservative hawks in the Bush administration formed a think tank called the Project for the New American Century, or PNAC. In 2000, they published a report called, *Rebuilding America’s Defenses: Strategy, Forces, and Resources for a New Century*. Building upon the Defense Policy Guidance document, they state that, “the United States must retain sufficient forces able to rapidly deploy and win multiple simultaneous large-scale wars,”[16] that there is “need to retain sufficient combat forces to fight and win, multiple, nearly simultaneous

major theatre wars,”[17] and that “the Pentagon needs to begin to calculate the force necessary to protect, independently, US interests in Europe, East Asia and the Gulf at all times.”[18] Further, “the United States has for decades sought to play a more permanent role in Gulf regional security. While the unresolved conflict with Iraq provides the immediate justification, the need for a substantial American force presence in the Gulf transcends the issue of the regime of Saddam Hussein.”[19] In describing the need for massive increases in military spending, rapidly expanding the armed forces and “dealing” with threats such as Iraq, North Korea and Iran, they state, “Further, the process of transformation, even if it brings revolutionary change, is likely to be a long one, absent some catastrophic and catalyzing event – like a new Pearl Harbor.”[20]

Zbigniew Brzezinski, co-founder of the Trilateral Commission with David Rockefeller, former National Security Adviser and key foreign policy architect in Jimmy Carter’s administration, also wrote a book on American geostrategy. Brzezinski is also a member of the Council on Foreign Relations and the Bilderberg Group, and has also been a board member of Amnesty International, the Atlantic Council and the National Endowment for Democracy. Currently, he is a trustee and counselor at the Center for Strategic and International Studies (CSIS), a major US policy think tank.

In his 1997 book, *The Grand Chessboard*, Brzezinski outlined a strategy for America in the world. He wrote, “For America, the chief geopolitical prize is Eurasia. For half a millennium, world affairs were dominated by Eurasian powers and peoples who fought with one another for regional domination and reached out for global power.” Further, “how America ‘manages’ Eurasia is critical. Eurasia is the globe’s largest continent and is geopolitically axial. A power that dominates Eurasia would control two of the world’s three most advanced and economically productive regions. A mere glance at the map also suggests that control over Eurasia would almost automatically entail African subordination.”[21] Brzezinski explained that, “the pursuit of power is not a goal that commands popular passion, except in conditions of a sudden threat or challenge to the public’s sense of domestic well-being. The economic self-denial (that is, defense spending) and the human sacrifice (casualties even among professional soldiers) required in the effort are uncongenial to democratic instincts. Democracy is inimical to imperial mobilization.”[22] Brzezinski also outlines Russia and China, in cooperation with Iran and possibly Pakistan, as the most significant coalition that could challenge US hegemony.

With the George W. Bush administration, the neo-conservative war hawks put into action the plans set out in their American imperial strategic documents. This made up the Bush doctrine, which called for “a unilateral and exclusive right to preemptive attack, any time, anywhere, unfettered by any international agreements, to ensure that ‘[o]ur forces will be strong enough to dissuade potential adversaries from pursuing a military build-up in hope of surpassing, or equaling, the power of the United States’.”[23]

In 2000, the Pentagon released a document called *Joint Vision 2020*, which outlined a project to achieve what they termed, “Full Spectrum Dominance,” as the blueprint for the Department of Defense in the future. “Full-spectrum dominance means the ability of U.S. forces, operating alone or with allies, to defeat any adversary and control any situation across the range of military operations.” The report “addresses full-spectrum dominance across the range of conflicts from nuclear war to major theater wars to smaller-scale contingencies. It also addresses amorphous situations like peacekeeping and noncombat humanitarian relief.” Further, “The development of a global information grid will provide the environment for decision superiority.”[24]

The War on Terrorism, as a war with invisible enemies and borderless boundaries, a truly global war, marks a major stage in the evolution of the constant war “surplus imperialism” of the American empire.

The US military, while being used as a vehicle for surplus imperialism; is also creating and maintaining and expanding NATO. NATO is expanding its role in the world. The wars in Yugoslavia following the collapse of the Soviet Union were used to legitimize NATO's continued existence, which was created to have an alliance against the USSR. When the USSR vanished, so too did NATO's purpose, until it found a new calling: becoming a global policeman. NATO has undergone its first major war in Afghanistan and its expansion into Eastern Europe is enclosing Russia and China.

Ivo Daalder, the US representative to NATO, also a Senior Fellow at the Brookings Institution and member of the Council on Foreign Relations, wrote an article for Foreign Affairs in which he advocated for a "global NATO" to "address the global challenges of the day." [25] In April of 2009, NATO began to review its Strategic Concept "in order to stay relevant in a changing security environment," and that, "The leaders envisage cyber-attacks, energy security and climate change as new threats to NATO, which would mean big changes in NATO's future operations." [26] Since 2008, NATO has been re-imagining its strategy and moving to a doctrine of advocating for pre-emptive nuclear warfare. [27]

As George Orwell wrote in 1984, "The war is not meant to be won, it is meant to be continuous. Hierarchical society is only possible on the basis of poverty and ignorance. This new version is the past and no different past can ever have existed. In principle the war effort is always planned to keep society on the brink of starvation. The war is waged by the ruling group against its own subjects and its object is not the victory over either Eurasia or East Asia, but to keep the very structure of society intact."

The Revolution of the New World Order

The new system being formed is not one based upon any notion of competition or "free markets" or "socialist morality", but is, instead a system based upon consolidation of power and wealth; thus, the fewer, the better; one government, one central bank, one army, one currency, one authority, one ruler. This is a much more "efficient" and "controllable" system, and thus requires a much smaller population or class to run it, as well as a much smaller population to serve it. Also, with such a system, a smaller global population would be ideal for the rulers, for it limits their risk, in terms of revolt, uprising, and revolution, and created a more malleable and manageable population. In this new capitalist system, the end goal is not profit, but power. In a sense, this is how the whole capitalist system has functioned, as profit has always acted as a means and lever to achieve power. Power itself, was the goal, profit was merely the means of achieving such a goal.

Shortly following the origins of the capitalist system, central banking emerged. It was through the central banking system that the most powerful figures and individuals in the world were able to consolidate power, controlling both industry and governments. Through central banks, these figures would collapse economies, destroying industry and thus, profits; bankrupt countries and collapse their political structures, destroying a base for the exercise of power; but in doing so, they would consolidate their authority over these governments and industry, wiping out competition and eliminating dissent. It is these individuals who have played the greatest roles in shaping and reshaping the capitalist system, and are the main figures in the current reorganization of world order.

However, such is the nature of individuals whose lives revolve around the acquisition and exercise of power. Like the saying goes, "Power corrupts, and absolute power corrupts, absolutely." Those who are driven by the lust for power often eliminate and remove all of those who helped them reach such a position. Hitler undertook the Night of Long Knives, in which a series of political executions were carried

out, targeting prominent figures of the SA, who helped Hitler rise to power. Stalin similarly, also purged the Soviet Union of those who helped him rise to power.

Power alters the psychology of the individual that holds it. It is an extremely lonely condition, in which, once power is achieved, and with no more power to gain, the obsession turns to the preservation of power, and with that, paranoia of losing it. This is why those that assist the powerful in gaining more power are doomed to a fate that is similar or worse than those who fight against such a power. This, ultimately, is why it is futile to join forces with such systems of power, or ally oneself with such powerful figures.

Power is a cancer; it eats away at its host. The greater the power held, the more cancerous it is, the more malignant it becomes. The less power held by individuals, the less chance there is for growth of this cancer, or for it to become malignant. Power must be shared among all people, for the risk carried thus becomes a risk to all, and there is a greater degree of cooperation, support, and there is a more efficient and effective means through which everyone can act as a check against the abuse of power.

Theoretical Foundations of Global Revolution

Currently, we are witnessing, in the wake of the massive economic crisis, a revolution in the global political economy. This revolution, like all revolutions, is not simply a top-down or a bottom-up revolution. Historically, revolutions are driven by a combination of both the grassroots and the elite. Often, this materializes in clashes between social groups, such as with the American Revolution. Although, the American Revolution itself was primarily waged by the American landed elite against the foreign imperial elite of Great Britain. The French Revolution was the combination of the banking and aristocratic elite co-opting, manipulating and controlling the grassroots opposition to the established order. The Russian Revolution, also being able to see rising social tensions among the lower classes, was co-opted by an international banking elite.

Currently, the transnational elite are very aware of the increasing social tensions among the world's majority. As the crisis deepens, tensions will rise, and the chances of revolt and revolution from below greatly increase. Governments everywhere, particularly in the Western industrialized nations are building massive police states to monitor and control populations, and are actively preparing for martial law and military rule in the event of such a situation unfolding.

However, the transnational elite are undertaking their own revolution from above. This revolution is encompassing the restructuring of the global political economy through their orchestrated economic crisis.

Neo-Gramscian political economic theory can help us understand how this revolution has been and is currently being undertaken. Neo-Gramscian IPE (International Political Economy) emerged in the 1980s within the critical camp of theory. Largely based off of the Italian Marxist writer, Antonio Gramsci, it places a great focus on analysis of global power, order and structure. There has been much analysis within Neo-Gramscian theory on the nature and structure of the transnational capitalist class. Among the analysis of transnational classes, Neo-Gramscian theory also places emphasis on the notions of hegemony and resistance, or counter-hegemony.

The Gramscian notion of hegemony differs from other perspectives in, particularly mainstream, Global Political Economy. With the Gramscian concept of hegemony, it does not focus simply on the use of

state power at exerting power, but rather defines hegemony as a system of power that is dual; it requires both coercion and consent. Consent is key, as it implies the active consent of “subaltern” or “subordinate” groups (in other words, the great majority of the world’s people), to being submissive to the system itself. This hegemony is built around the notion of conformity; thus, conformity is an active consent to hegemony. By conforming, one is submitting to the system and their place within it. This is also an internationalizing concept, in that this hegemony is not nation-based, but transnational, and backed by the threat of coercive force.

In discussing resistance to hegemony, or counter-hegemony, Gramsci identified two forms of resistance; the war of position and the war of movement. Robert Cox, the most well known Neo-Gramscian theorist, analyzed how Gramsci defined these notions by comparing the experiences of Russia with the Bolshevik Revolution as compared with experiences in Western Europe. As Cox explained, “The basic difference between Russia and Western Europe was in the relative strengths of state and civil society. In Russia, the administrative and coercive apparatus of the state was formidable but proved to be vulnerable, while civil society was undeveloped. A relatively small working class led by a disciplined avant-garde was able to overwhelm the state in a war of movement and met no effective resistance from the rest of civil society.”[28]

So a war of movement was characterized by a small vanguard seizing power and overthrowing the state. “In Western Europe, by contrast, civil society, under bourgeois hegemony, was much more fully developed and took manifold forms. A war of movement might conceivably, in conditions of exceptional upheaval, enable a revolutionary vanguard to seize control of the state apparatus; but because of the resiliency of civil society such an exploit would in the long run be doomed to failure.” As Gramsci himself noted, “In Russia, the State was everything, civil society was primordial and gelatinous; in the West, there was a proper relation between State and civil society, and when the State trembled a sturdy structure of civil society was at once revealed.”[29]

In this instance, a war of movement was impossible to achieve in Western Europe, and thus, “The alternative strategy is the war of position which slowly builds up the strength of the social foundations of a new state. In Western Europe, the struggle had to be won in civil society before an assault on the state could achieve success.” This undertaking is massive to say the least, as it implies as a necessity, “creating alternative institutions and alternative intellectual resources within existing society and building bridges between workers and other subordinate classes. It means actively building counter-hegemony within an established hegemony while resisting the pressures and temptations to relapse into pursuit of incremental gains for subaltern groups within the framework of bourgeois hegemony.” In other words, it is a “long-range revolutionary strategy,” as compared to social democracy, which is “a policy of making gains within the established order.”[30]

However, I wish to take the concept and notion of the “war of position” and re-imagine it, not as a means of counter-hegemony, but as a means of supra-hegemony. This is not a war of position on the part of a counter-hegemonic group (grassroots opposition, etc), but is rather a war of position on the part of an embedded international elite, or supra-hegemonic group. Supra is Latin for “above,” which implies that this group is above hegemony, just as supra-national institutions (such as the European Union) are above nations. This is the elite of the elite, beyond national elites, and composing the top tier of the hierarchy within the transnational superclass. In terms of composition, this group is the highly concentrated international bankers, the dynastic banking families such as the Rothschilds and Rockefellers, who control the major banking institutions of the world, which in turn, control the

international central banking system. Their centralized power is exemplified in the Bank for International Settlements.

I will refer to this group as the Global Cartel. This Cartel has usurped global authority and power through an incremental, multi-century spanning war of position. The Peace of Westphalia, signed in 1648, constituting two separate treaties, created the notion of the nation state and state sovereignty within Western Europe. Feudalism dominated Europe from the medieval period through the 16th century, and was slowly replaced by the emergence of Capitalism. Major European empires had, since the 15th century, been pursuing empire building, such as with the trans-Atlantic slave trade and expansion into the Americas. This formed the first truly global economy. The empires worked under and in service to the monarchies that oversaw them.

It was with the founding of the Bank of England in 1694 that a European group of bankers overtook one of the major European empires. Great Britain then became the dominant empire, experiencing the Industrial Revolution prior to any other nation, and became a global hegemon. With the French Revolution, these European bankers took over another major empire through the establishment of the Bank of France, and then financed and profited off of all sides of every major war, and expanded imperial reach.

Through the expansion of the central banking system, a highly concentrated group of European bankers were able to overtake the major nations of the world. The entire history of the United States is the story of a Republic's struggle and battle against a central bank. Finally, the bankers usurped monetary authority with the establishment of the Federal Reserve, and built up and created the American empire.

It was in the 20th century that the war of position of the cartel is most apparent. As the world globalized, so too did the war of position. The major banking dynasties founded powerful philanthropies, such as the Carnegie Endowment and the Rockefeller and Ford Foundations. These organizations shaped civil society in the United States and set their sights internationally in scope. Through the establishment of think tanks like the Royal Institute of International Affairs (RIIA) in Britain and the Council on Foreign Relations (CFR) in the United States, this cartel was able to bring in and centralize the intellectual, academic, strategic, military, economic and political establishments under the cartel's influence. This was expanded by the cartel through organizations such as the Bilderberg Group and the Trilateral Commission.

Centralizing and controlling debate and discussion within these vital socio-political-economic realms was a vital component of institutionalizing hegemony, as Gramsci understands it, in that the cartel used their monetary and financial hegemony (controlling the printing and value of currencies) to stimulate an active consent among the socio-political-economic elite. National elites consented to the hegemony of the cartel, whose coercive hegemony was in their ability to destroy a national economy through monetary policy.

This hegemony, both coercive and consenting, based within the elite class themselves, facilitated the war of position of the cartel to advance their interests and proceed with their incremental revolution. The aim of this cartel, like many tyrants and power-hungry people before it, was world domination. Bankers command no army, lead no nation, and motivate no people. Their influence lies in co-opting the commanders, controlling the leaders, and manipulating motivation.

Thus, it was of absolute necessity for the cartel to undertake their ultimate aim of world domination and

world government through a war of position, as no person would fight for, surrender a nation to, or be motivated to help any banker achieve their own selfish goals. Rather, they had to slowly usurp power incrementally; control money, buy politicians, own economies, build empires, engineer wars, mold civil society, control their opposition, overtake educational institutions and ultimately, control thought.

Conclusion

As George Orwell wrote, "Power is not a means, it is an end. One does not establish a dictatorship in order to safeguard a revolution; one makes the revolution in order to establish the dictatorship. The object of persecution is persecution. The object of torture is torture. The object of power is power."

The more people that think for themselves; the worse it is for the cartel. People, free thinking individuals, are the greatest threat to this cartel and their war of position. That is why the answer and solution to exposing the supra-hegemonic war of position, challenging and triumphing over the New World Order, lies in the free-thinking individual. The challenge is global and globalized; the solution is local and localized. The problem is conformity and controlled thought; the answer is individuality and free thought.

While humanity is faced with such monumental crises the likes of which in scope and size, we have never before faced, so too, are we faced with the greatest opportunities for an ultimate change in the right direction. While people are controlled and manipulated through crisis and disorder, so too can people be awoken to seeing the necessity of knowledge and critical thought. When one's life is thrown into disorder and chaos, suddenly observation, information and knowledge become important in understanding how one got into that situation, and how one can escape it.

With this in mind, while facing the potential for the greatest struggle humanity has ever faced, so too are we facing the greatest potential for a new Enlightenment or a new Renaissance; an age of new thought, new life, new potential, and peace. No matter how much elites think they control all things, life has a way of making one realize that there are things outside the control of people. With every action, comes an equal and opposite reaction.

We may not reach a new age of thinking and peace before we enter into a new age of oppression and war. In fact, the former may not be possible without the latter. People must awake from their slumber; their immersion in consumerist society and pop culture distractions, and awake to both the malevolence of world systems and the wonder of life and its potential. Through crisis, comes control; through control, comes power; through power, comes resistance; through resistance, comes thinking; through thinking, comes potential; through potential, comes peace.

We may very well be entering into the most oppressive and destructive order the world has yet seen, but from its ruins and ashes, which are as inevitable as the tides and as sure as the sun rises, we may see the rise of a truly peaceful world order; in which we see the triumphs of individualism merge with the interests of the majority; a people's world order of peace for all. We must maintain, as Antonio Gramsci once wrote, "Pessimism of the intellect, optimism of the will."

NOTES - - -

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